A SOVIET WEEKLY OF WORLD AFFAIRS

Kenneth Kaunda interviewed

# NEW TIMES

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## Oil AND POLITICS

WHY IT PAYS TO TRADE WITH THE U.S.S.R.

BRAZIL: WILL THE DEBT NOOSE SLACKEN?

# 1917–1987

## TIME AND PEOPLE

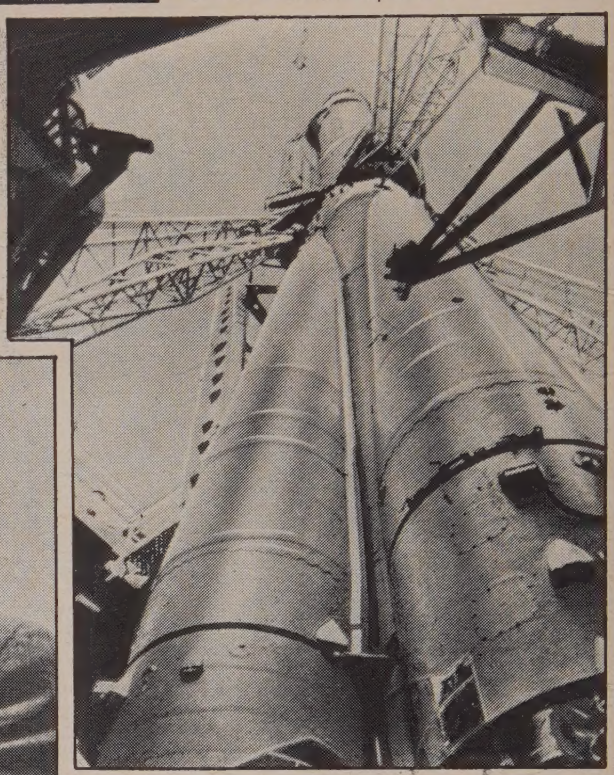
In 1922, engineer and inventor Friedrich Tsander applied for, and was given, unpaid leave "to design a trans-atmospheric plane and the engine thereto." In a war-ravaged and famine-stricken country, a group of enthusiasts dreamed of interplanetary flights. Tsander met with Lenin, who ardently supported his ideas.

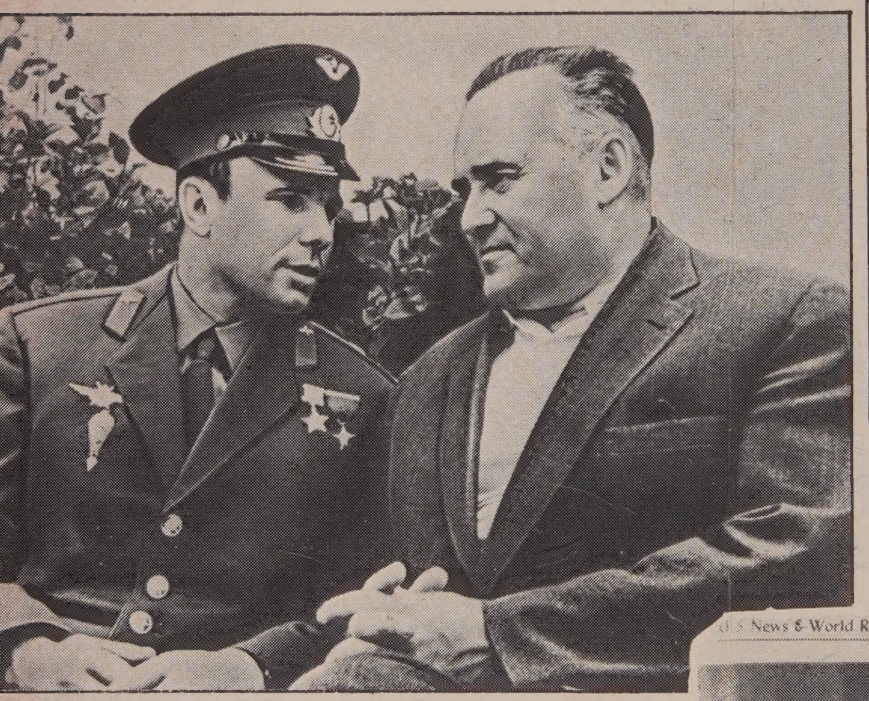
Nikolai Kibalchich, the revolutionary and inventor, had sketched a jet-propelled flying vehicle on the wall of his death cell in a tsarist prison. Konstantin Tsiolkovsky had been the first to prove the possibility of building a jet space vehicle. Sergei Korolev formed a jet propulsion research group, which gathered initially in the basement of a Moscow apartment house, often frightening the tenants with blasts and clouds of smoke. They drove their first rocket to the launching site by city tram. In August 1933 the rocket lifted off the ground. "It will fly higher still," Korolev predicted.

The war interrupted the experiments, but the dream remained. After the war, Sergei Korolev became Chief Designer. The small group of followers he had started with grew into a whole army of experts.

On October 4, 1957, the beeps of the first artificial earth satellite reached the planet. "The Russians Are Ahead!" banner headlines screamed from the front pages of foreign papers. Overnight, the word "sputnik" became common knowledge.

But Korolev was already looking further ahead and thinking of putting a man in space. Just three and a half years after the first satellite was launched, the following announcement was broadcast nationwide: "On April 12, 1961, the Soviet Union put the world's first manned spaceship, the Vostok, in a round-the-earth orbit. The orbital spaceship is piloted by Air Force Major Yuri Alexeyevich Gagarin, a citizen of the Union of Soviet Socialist Republics."





**Konstantin Tsiolkovsky at work, ● A carrier rocket ready to go up. ● Yuri Gagarin and Sergei Korolev. ● John Kennedy: "We are behind."**

U. S. News & World Report

## KENNEDY: "WE ARE BEHIND"

*From the transcript of the White House news conference on April 12—*

Q: Mr. President, a member of Congress said today that he was tired of seeing the United States second to Russia in the space field. I suppose he speaks for a lot of others. Now, you have asked Congress for more money to speed up our space program. What is the prospect that we will catch up with Russia and perhaps surpass Russia in this field?

THE PRESIDENT: Well, the Soviet Union gained an important advantage by securing these large boosters, which were able to put up greater weights, and that advantage is going to be with them for some time. However tired anybody may be, and no one is more tired than I am, it is a fact that it is going to take some time.

I think we have to recognize it. They secured large boosters which have led to their being first in Sputnik, and led to their first putting their man in space. We are, I hope, going to be able to carry out our efforts with due regard to the problem of the life of the men involved this year. But we are behind.

I am sure that they are making a concentrated effort to stay ahead. We have provided additional emphasis on Saturn, we have provided additional emphasis on Rover. We are attempting to improve other systems which are very expensive and all of which cost billions of dollars.

So that, in answer to your question, as I said in my state-of-the-union message, the news will be worse before it is better. There will be some time before we catch up. We are, I hope, going to go in other areas so that we can be first, and which will bring us, perhaps, more long-range benefits to mankind. But we are behind.

*At another point in the news conference the President made this observation about the space race:*

I do not regard the first man in space as a sign of the weakening of the free world. I do regard the total mobilization of resources and things for the service of the Communist system over the last years as a source of great concern to us, and I would say we are going to have to live with that danger through much of the rest of this century.

My feeling is that we are making progress in the long run. These dictatorships have short-range advantages that we had in the '30s. But, in the long run, I think that our system suits the qualities and aspirations of man, the desire to be their own masters, that our own system suits better and that we can maintain our strength until our system can be brought more effective[ly] during the meantime, it is g[oing]

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OF WORLD AFFAIRS

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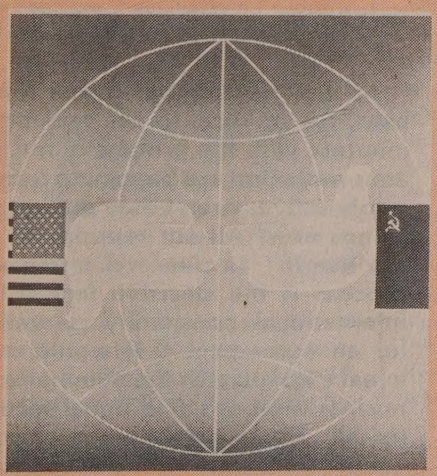

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**In the U.S.S.R.-U.S. relations there is no need either for maintaining "mirror-reflection" strategic balance, or copying each other's socio-political system. What the two powers really need is to lower the level of confrontation and to get a frank and constructive dialogue going.**

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## FROM OUR MAILBAG

**Some of your articles describe events only in black and white. Yet despite the fact that the socialist system is more progressive and just than the capitalist system, it has its share of contradictions. For instance, the socialist countries damage the environment in no lesser degree than the capitalist countries. If we close our eyes to such problems, it will be harder to defend our priorities.**

**RALF HEYNER**
Niederwürschnitz, G.D.R.

**Our country has embarked on a course of glasnost and democracy. The question that arises in this connection is: what should be our attitude to facts about our society that could serve as a trumpcard in the ideological struggle against us? Should we avoid any mention of them, as has sometimes been the case in the past, or should we speak about them straight out? I think there can only be one correct answer: we have to tell the truth, no matter how unpleasant it may be. Frank discussion and public acknowledgement of "inconvenient facts" - only such a policy can knock the weapon of disinformation and slander from the hands of our ideological opponents.**

**YURI KARBOVSKY**
Ternopol, U.S.S.R.

**The case of Leonard Peltier, the leader of the North American Indians, is quite sufficient to understand how human rights are interpreted in the United States. He was sentenced to life imprisonment only for defending the real rights of his people. Other examples could also be cited. The American government has no moral right to demand that other countries observe human rights, as it is itself in constant violation of them.**

**AUTELIANO LOPEZ**
Kuna Yala, Panama

## EDITORIAL

# WHICH PEDAL TO PRESS?

Lord Carrington, the NATO Secretary-General, has commented on the future agreement, which is to eliminate intermediate and shorter-range missiles, as follows:

"This agreement will change the landscape of European security considerably, perhaps as profoundly as any development in a generation. It is no green light for nuclear disarmament in Europe. We should not simply keep our foot on the accelerator."

The aptness of this metaphor could be disputed: we would prefer the agreement to switch on the green light for détente, or, at least, to put the red out. Nevertheless, the NATO Secretary-General is right in saying that one cannot move further ahead by simply keeping one's "foot on the accelerator." First, one has to push this pedal almost completely down in order to gain momentum. And second, one ought to choose the most efficient means of advance, i.e., to proceed to more radical measures which have already been clearly defined: a cutback on strategic offensive arms, the strengthening of the ABM regime, and putting an end to all nuclear tests.

But the point is that while most people across the world, the NATO countries included, are longing for progress, there are politicians and military who are pressing an entirely different pedal - the brake. A secret report by NATO's high-level group of nuclear expers (they seem to have a thing about secrecy in NATO) suggests taking so-called "compensation measures." The idea is that, having scrapped the missiles, NATO can make up for it by increasing the number of aircraft carrying nuclear weapons, the shorter-range missiles, and cruise missiles not covered by the agreement.

What does all this amount to? Is the Soviet Union, which scraps six times as many warheads as the U.S. does anyway, to be faced with a new increase in NATO's nuclear and missile potential? What are we to make, then, of the resolution adopted by the NATO Nuclear Planning Group, which met in a session on November 3-4 and which calls "to provide an environment for peaceful and stable relations between East and West on the basis of balanced forces at the lowest possible level?"

An optimistic interpretation of this formula seems to be that it presupposes giving up the "compensation" idea. This view is corroborated by the stand taken by a number of NATO countries, which want an effective agreement rather than a placebo. Another implication may be that the dangerous idea has been merely shelved, not rejected, owing to its obvious vulnerability. This is exactly what many influential Western papers presume; this is what John Galvin, NATO's new Supreme Allied Commander in Europe, says; and this is what Caspar Weinberger disclosed in no uncertain terms shortly before his resignation. Those preferring to slam on the brakes are to be found in the U.S. delegation in Geneva as well.

As the Washington summit draws near, the political forces seeking to interfere with the process of nuclear arms reduction are becoming increasingly active. Aren't they pulling the strings now? All-out support for the worldwide nuclear disarmament process is the decisive factor. The international community is waiting for an agreement that would mark a real step towards the elimination of nuclear weapons, and equal security for all. These objectives are worth keeping our foot on the accelerator.

# PERESTROIKA SHATTERS STEREOTYPES

Academician GEORGI ARBATOV

We have started perestroika because we consider it necessary for ourselves. However, it has proved a rather effective way of smashing stereotyped Western notions of the Soviet Union and the "Soviet threat" myth. These stereotypes have come to underlie many aspects of the Western policy in the postwar years both at home and abroad - after all you need an "empire of evil" somewhere to feel "an empire of good."

I think the West needs perestroika, too. President Reagan has made a speech recently which goes to show what complicated problems our policy poses for him. Indeed, as Mikhail Gorbachev put it, history itself has thrown a challenge to both the Soviet Union and the United States, to West and East alike. We just have to change our international conduct because new realities threaten all of us with mutual annihilation. The states have lost the right to act as they have for millennia, to use force of arms and coercion to reach their political goals. Giving up power politics is the prime condition of survival today.

Will this constitute a threat to the West? To some Western countries, it might; to those, I mean, whose prosperity, influence and incomes are connected with a certain foreign policy, certain prejudices and certain practices. Even many of those who do not support aggressive policy still hold that force, in particular nuclear deterrence, is absolutely necessary in international relations. The fact that many entertain mistaken ideas does not make delusions the truth. In the same way people used to believe for centuries that the sun circled the earth, which proved wrong. I am certain that this belief in nuclear deterrent will also be shattered some time.

In a dialogue with such people I'd rather look for what we have in common rather than for what divides us. After all, most of them do agree that there are too many arms, that their stockpiles have to be reduced to a half, to a fourth and further down. So let us agree on that, take the first steps and then see what direction the world will take in its development, and whether we can proceed to next, still more radical, steps.

A few words about the military-industrial complex. The term "military-industrial complex" is not a Marxist invention. It was first used by conservative President Eisenhower, who warned of the MIC's danger as he retired from office. It is a reality, hard as certain U.S. quarters may try to create the impression that the U.S.S.R. exaggerates the threat. This sinister complex has its officially registered lobbyists and its representatives in the administration. It is not omnipotent, however - the U.S. policy is determined by a number of other factors as well - economics, social realities, public sentiment. In his report on the 70th anniversary of the October Revolution Comrade Gorbachev asked whether capitalism could live without the war economy - the dope which has played such an important role until now, I think it cannot continue relying on this dope to the extent it is doing now for much longer. Otherwise, it will not be able to avoid economic collapse and social upheavals if the present rate of militarization persists.

**WE JUST HAVE TO CHANGE OUR INTERNATIONAL CONDUCT BECAUSE NEW REALITIES THREATEN ALL OF US WITH MUTUAL ANNIHILATION**

As for our own war industry, I do not regard it as what the military-industrial complex stands for - i.e., a force which pursues its own interests opposed to those of the nation. Our scientists who are working for defence would be only too glad to change over to civil research.

In that case, incidentally, it will be easier for them to gain national and international recognition because they will be able to make their discoveries public knowledge through newspapers and magazines. The industry working for defence today would not be left idle, either - on the contrary, it would have a great deal to do. We have already adopted the decision to increase the defence industry's contribution to the output of civil goods, consumer products included. We have a tremendous market. Nobody will be left without a job if this industry stops making tanks and machine guns and switches over to farm machines, domestic appliances and consumer goods. If we have a chance to cut our armed forces, we shall be only too willing to do that. After all, we are short of work force.

About arms trade. We had repeatedly suggested that this problem be solved until the U.S. stopped negotiating arms trade limitation with the Soviet Union in 1980 never to resume the talks again despite repeated Soviet offers to that effect. I hope the situation will change and we shall tackle this problem at last, because arms trade has led to a catastrophic state of affairs, the world being oversaturated with weapons. This is a very serious problem calling for urgent solution. ■

# The African echo of the Russian Revolution

**President KENNETH DAVID KAUNDA, who now holds the post of Chairman of the Organization of African Unity (OAU), has granted an interview to Nikolai Reshetnyak, our southern African correspondent.**

**Comrade President, we are meeting soon after Independence Day, a major national holiday in Zambia. What is your assessment of the effect of the Great October Socialist Revolution, whose 70th anniversary has been celebrated in Zambia too, on the national liberation struggle in the country and the region at large?**

The Great October Revolution belongs to all of mankind. Today, as before, its effects are very much in evidence. The revolution's significance for ordinary people in any part of the world has been considerable for a number of reasons.

In our view colonialism is an offshot of international capitalism. It was capitalism too that brought forth neocolonialism, Zionism, fascism, racism, and apartheid, and it was to imperialism that the October revolution dealt a crushing blow. If you want to kill a snake you should strike at its head, and that is why, when speaking of the October revolution, I emphasize that it dealt a blow to capitalism in all its forms. That is why there is a direct link between the Great October Socialist Revolution and the subsequent struggle against imperialism.

**In developing the philosophy and socio-economic concept of Zambian humanism, you addressed yourself to the theoretical heritage and practical experience of the October revolution. What were your principal reasons for doing so?**

The prime reason was that therein lies the skill of analyzing events, giving one the clue as to where the main threat lies. Take apartheid. Why is it still there and what is the reason for its viability? These questions bring us back to internatiolnal capitalism, which has spread its tentacles over Africa. The states in the south of Africa are in the focus of its attention. World capitalism is trying to preserve the apartheid regime at all costs, having gained access to the vast resources of the region, unparalleled in any Western country except for the United States, and to the vast pool of cheap labour and millions of unemployed who can be easily exploited. The minority who wield the levers of power remain faithful to their master. The majority are doomed to mere subsistence and deprived of its rights. That is the situation in which the people of the region live and struggle. The October revolution shattered the fetters of colonialism and helped the people to begin to understand that this could not be allowed to continue.

That is the theoretical aspect of the problem, but the October revolution influenced Zambia by the very fact that it took place. The Soviet Union has always supported us in our struggle and given us moral, political, and material assistance. Recalling past history, and analyzing the present situation, I would like to note that although the socialist countries and the young developing nations are, it seems, independent from each other, their stands and views largely coincide, and that is also consequence of your revolution.

**You are the leader of Zambia and of the community of frontline states, and you have also been elected chairman of the OAU. What can be done, in your view, to promote cooperation between the OAU, on the one hand, and the Soviet Union and other socialist countries on the other?**

**President Kenneth David Kaunda of Zambia after an interview with the New Times correspondent**
Photo from The Times of Zambia

When I mentioned Soviet assistance to Zambia, I noted that it is not confined to helping one African country alone. The Soviet Union is our ally because it works for peace and opposes the intrigues of world capital, which still presents a very great danger here in southern Africa. Your country is helping strengthen the defences and security of the nations of the region, and this earns the gratitude of OAU members. This cannot be said, unfortunately, of the Western powers, which deny us such assistance.

**The Soviet Union has put forward and been working to defend and promote the idea of disarmament for development. What are your views on this issue after your recent meeting with the U.S. President?**

We resolutely support the peace initiatives of the U.S.S.R. I have sent letters to Mikhail Gorbachev and Ronald Reagan in which I said, among other things, that although they represent two different social systems, they must take into account the fact that the nuclear arms race knows no ideological boundaries or regional divisions. Nuclear weapons threaten all of mankind.

The leaders of great powers must be above the obstacles to nuclear arms control. The dialogue at Reykjavik was welcomed in Zambia because the leaders of the two countries decided to move in the same direction, I am looking forward to the next Soviet-U.S. summit with great hope and I believe that the first treaty on nuclear disarmament will be concluded.

I admire the activity of Mikhail Gorbachev. At the Zambian parliament and at international forums I have called on the Western nations to give the Soviet leader a chance to meet the challenge of the day, and I am renewing that appeal now. At the same time, in advance of a possible meeting with Mikhail Gorbachev, I call on him confidently and unreservedly to pursue a bold policy aimed at achieving disarmament. That policy is an indispensable continuation of the revolutionary cause.

**Comrade President, how do you assess the present state of Soviet-Zambian relations and their prospects?**

I note with satisfaction that we are maintaining ties in the five basic areas of international cooperation: political, economic, social and cultural, and scientific-technological, as well as in matters of defence and security. Let me dwell on each of them now. In the political sphere, we have regular summit meetings and exchange delegations of the CPSU and the United National Independence Party (UNIP).

We are engaged in a number of cooperation programmes in the economic area concerning land improvement and many other matters.

There are many Zambian students studying in the U.S.S.R. You are training professionals for us and sending doctors to our country.

As far as matters of defence are concerned, as you may know, during the Rhodesian crisis I and representatives of my government visited a number of Western countries friendly to us and asked for military aid. We made it clear that if that aid could not be given free we could pay for it. All our requests were turned down, and everybody now knows that. The Soviet Union was the only nation to respond to our request.

I would like to say in conclusion that our bilateral relations are very warm and they have an excellent future.

I extend my wishes for happiness and prosperity to the Soviet leaders and people on the occasion of the 70th anniversary of the October revolution. Lusaka, November

## OBSERVER'S VIEW

# OF SIMILARITY AND DISTINCTIONS

A period of détente in Soviet-U.S. relations is again approaching. A similar process was observed in the early 1970s, or, more exactly, 15 years ago. The events of that period should be remembered so that we can avoid a repetition of past mistakes and draw conclusions from them. What has changed since then? In what respects are the two periods similar or different? Why have we at last found a way out of the impasse? Perhaps it is not just a question of the cyclical development of the international situation - détente-2 comes after cold war-2.

No radical changes have, apparently, taken place in the United States. On the contrary, what is now observed there is a return to the concepts of the 1970s after a right-wing shift in the late 1970s and early 1980s and an upsurge of anti-Sovietism brought about, in no small degree, by the events in Iran and Afghanistan. There is, however, an important distinction.

The idea that nuclear war is a real danger and that it cannot be won has become much more widespread. It is now shared by many ordinary Americans, politicians and servicemen. But, as before, the Soviet Union is not trusted. The Americans do not fear a surprise missile attack across the North Pole, as they did in the 1960s. They see in the Russians a dark, amoral and godless force, the antithesis of democratic America.

Few Americans have so far understood that the Soviet Union is not as they see it. What is at issue is not simply common sense, how to avert suicidal nuclear war, including that unleashed by accident. The point is that the foundations of civilized relations between nations are being laid, that in the new conditions the slogan "farewell to arms," especially nuclear arms, is not simply a realistic proposition but a manifestation of new thinking - the building of a world without violence, united by ideals common to all mankind.

The chief distinction between the present time and the 1970s is that now these ideas are coming from the Soviet Union, as is evident from the Soviet proposals on disarmament, which include many compromises, concessions to the West. The détente of the 1970s began with a call to go over from confrontation to negotiations. Today it is proposed to take another step - to trust and cooperation, simultaneously with disarmament, from the need to survive to the development of mankind as a single whole.

Another important and distinctive feature of our days is that the Americans have not simply been offered a military-political "contract" with the Soviet Union on new, more attractive and mutually advantageous terms. They have to deal with a country which is carrying out revolutionary reforms, and undergoing social and political renewal.

The principal aim of these reforms is to promote democracy, genuine government of the people, human rights, and observance of the law, and to clear the socialist system of the rust that formed during the period of stagnation. This is now the Soviet Union's chief foreign policy trumpcard - of no less importance than medium-range missiles.

It would be naive to think that attractive foreign policy proposals from a country that is not trusted will enjoy confidence and support. Most likely, the reaction will be quite opposite. But the point is not that we should behave as the Americans do, copy their political ways and standards in order to win their approval. There are more than enough differences between the two countries. And we should not be afraid of similarity, especially in values common to all mankind.

The promotion of glasnost, the openness of our society, is our main contribution to the establishment of trust. One should not try to find faults in other countries. It is necessary, frankly and openly, to reveal one's own problems. This is the best way of ensuring peace of mind to one's neighbours.

It is now important that the Americans understand our country, without the idealism and illusions of the early 1970s, but as it is, with all the complex problems of perestroika, all the features of our society that differ from American society; with everything that unites us - values as old as the world but understood anew in the nuclear age.

**NIKOLAI POPOV**

NICARAGUA

# Cease-fire plan offered

● ON NOVEMBER 14, NICARAGUAN PRESIDENT DANIEL ORTEGA MADE PUBLIC HIS 11-POINT PLAN FOR A CEASE-FIRE BETWEEN THE SANDINIST PEOPLE'S ARMY AND THE CONTRAS FORCES.

The plan calls on contras groups to assemble in certain zones, and the cease-fire should enter into force not later than December 5. After that the contras should not be supplied with arms and ammunition. This condition is to obtain till January 5 of next year. Fifteen days before the cease-fire, the Sandinist People's Army will have stopped offensive operations across the country.

Compliance with the cease-fire agreement could be observed by an international commission. This would help the contras to go over to peaceful activities. A full amnesty would then be extended to them, and they would be able to take part in the dialogue on the country's future now in progress between the government and the unarmed opposition.

Daniel Ortega pointed out that the law proclaiming the amnesty and lifting the state of emergency would only come into force after the international commission had ascertained that the territories of neighbouring countries were no longer being used by irregular forces and that aid to these forces had, indeed, been stopped completely.

The Nicaraguan government is also prepared to hold negotiations with the United States provided only national security issues of concern to both countries, and not Nicaragua's domestic affairs, are discussed at them.

But Washington is reluctant to hold negotiations with Nicaragua. Moreover, it immediately dismissed the plan advanced on November 14, repeating time-worn allegations about the "Nicaraguan threat," and "the establishment of a Soviet base."

The direct interference of U.S. politicians and diplomats in Nicaragua's internal affairs has become increasingly perceptible recently. An anti-government demonstration was held on November 8 on a street adjoining the Oriental Market, an agglomerate of small shops where profiteers and swindlers conduct their dubious affairs.

The small column was headed by five U.S. Congressmen on a fact-finding tour of the country. Especially conspicuous among them was Republican Senator Dorman, who shouted: "Democracy - yes, communism - no!" The other demonstators chanted after him: "Long live the U.S.A., Long live Reagan, Long live Nicaraguan resistance!"

Nicaragua is having a difficult time. But despite the efforts of Washington and the Right the Sandinists enjoy the broad support of the people.

**VLADIMIR DOLGOV**
**our own correspondent**
Managua

MIDDLE EAST

# Pressing issues on summit agenda

● AN ARAB SUMMIT HELD IN AMMAN RECENTLY HAS BECOME AN EVENT OF GREAT POLITICAL IMPORTANCE IN THE MIDDLE EAST.

It was attended by 15 heads of state and government, and PLO Executive Committee chairman, Yasser Arafat. The governments of five Arab countries sent plenipotentiaries.

Some years ago, meetings of this kind were convened on a regular basis as an important instrument in coordinating the political and economic life of Arab states and settling differences between them. But after the Israeli invasion of Lebanon in 1982, these differences were exacerbated to such an extent that a summit could be held only recently.

What are the results of the Amman summit?

Arab League Secretary General Chedli Klibi pointed out at the final session that the summit was held in an atmosphere of mutual understanding, and a spirit of brotherhood and good will, and this was recorded in a declaration unanimously adopted by the participants.

The declaration expresses support for Iraq, voices concern over the continuation of the Iran-Iraq war, censures Iran for its refusal to comply with Security Council resolution 598 on a cease-fire, and affirms solidarity with Kuwait "in its actions to repulse the aggression of the Iranian regime."

The Arab-Israeli conflict and the restoration of a just and lasting peace in the Middle East were dominant issues. Observers noted the ease with which the summit succeeded in defining the attitude to the idea of convening an international conference under the aegis of the U.N. with the participation of Security Council permanent members, all parties concerned and the Palestine Liberation Organization.

The summit reaffirmed that peace in the Middle East can be achieved only if the occupied Arab territories and Eastern Jerusalem are liberated and the national rights of the Palestinian people restored. The strengthening of Arab unity and solidarity, it was noted, is the principal factor in countering the danger posed by Israel. The decision to restore diplomatic relations with Egypt would be left to each sovereign Arab state.

Leaving Amman, many participants in the summit assessed its results as a victory for Arab unity and the meeting itself as "conciliatory," "unifying," and so on. Such evaluations are unquestionably correct. But it should not be thought that the differences and contradictions accumulated in the Arab world over many years could be completely resolved in the four days of the summit.

This is evident from the sharply critical stand taken towards the Amman summit by Libya. Syria defined its attitude towards Iran "more exactly," considering it an important factor in the struggle against U.S. imperialism and Zionist aggression in the Middle East. Certain circles in Lebanon were displeased with the role assigned by the summit to Syria in the solution of the Lebanese crisis. Far from all differences were ironed out in relations between Syria and Iraq and between Jordan and the PLO.

But remembering that over the past few years their differences have prevented the Arab leaders from meeting at all to agree on joint stands and actions, the objective value of the Amman summit must be assessed in terms of the influence Arab unity can have towards positive developments in this explosive area.

**EVGENY KORSHUNOV**

AFGHANISTAN

# Why not wake up to reality?

● ON NOVEMBER 10 THE U.N. GENERAL ASSEMBLY PASSED

BY A MAJORITY VOTE THE PAKISTAN-SPONSORED RESOLUTION CALLING FOR "THE IMMEDIATE WITHDRAWAL OF FOREIGN TROOPS FROM AFGHANISTAN."

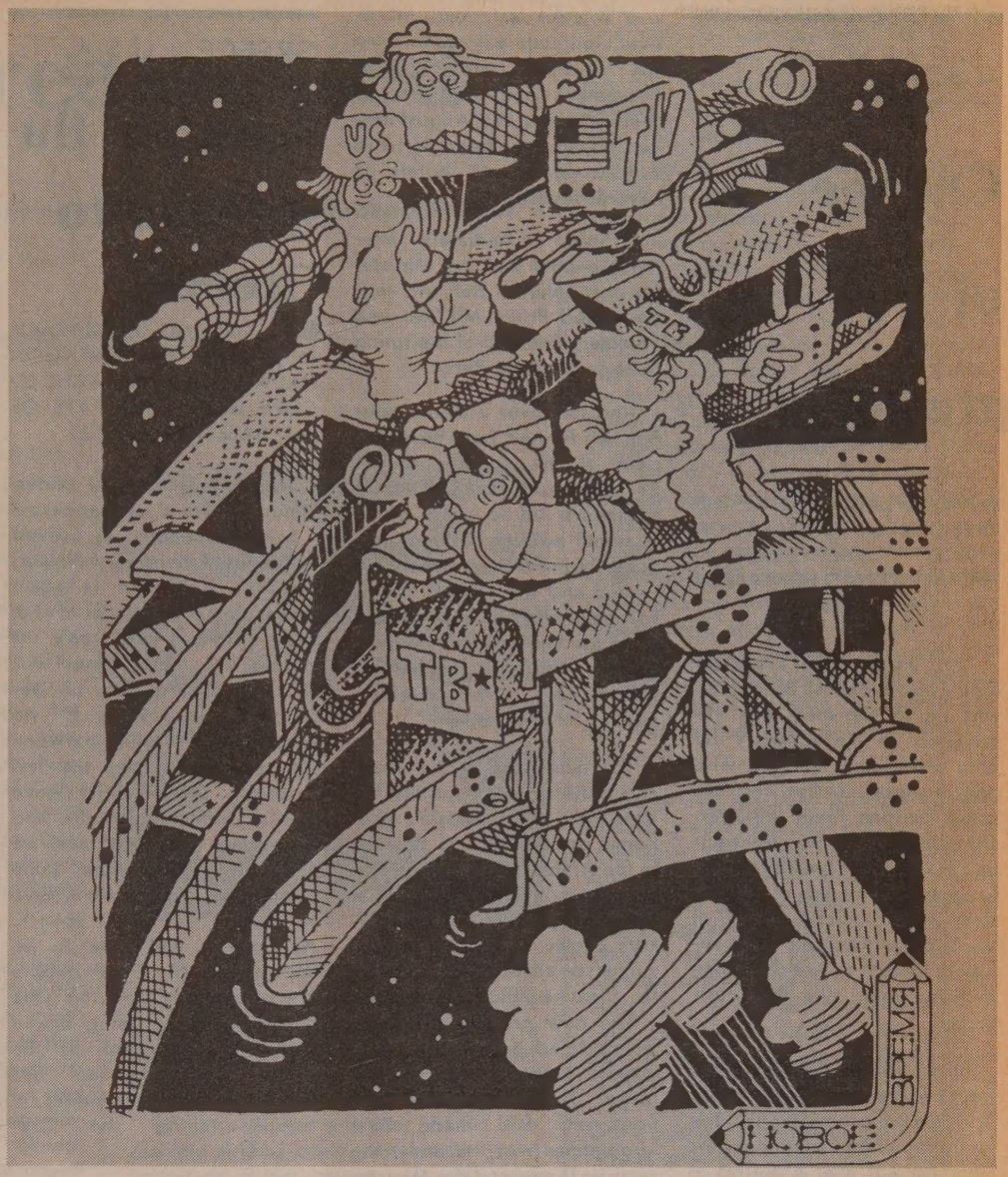
The standard text of the resolution has been endorsed annually by the Assembly since 1980, as if nothing were changing in the Afghan situation and no practical steps being taken to normalize the situation within and outside Afghanistan, and settle matters in such a way as to make a Soviet pull-out possible.

The changes are there for all to see. Kabul's policy of national reconciliation, dialogue and compromise aimed at ending the bloodshed is beginning to pay off. The Afghan authorities have unequivocally stated their readiness to form widely representative coalition government bodies from the bottom right up to central government level. Kabul has also taken a flexible and constructive stand at the Geneva talks.

But the anti-Afghan extremist counterrevolutionary groups seek not an internal settlement but the unconditional overthrow of the present government and the complete seizure of power. Is this a realistic position? What is it backed by? It is backed primarily by the United States.

Washington pays lip service to a desire for peace, but has no intention of ending its support of the Afghan counterrevolutionaries. On the contrary, it intends to expand the generous supply of arms of every kind to the rebels. President Reagan stated this publicly at the formal White House reception he gave for a delegation of diehards from the Peshawar-based "alliance of seven." Moreover, he did so a day after the General Assembly had closed the debate on the Afghan issue.

The quantities of weapons delivered to the counterrevolutionaries are so large that they have spread beyond the borders of Afghanistan and are being used against the United States itself. Modern U.S.-made Stinger missiles, for instance, have found their way to Iran and, according to some reports, are already being used against U.S. ships in the Persian Gulf. The cost of U.S. deliveries to the Afghan counterrevolutionaries has long been in excess of a billion dollars.




**Another miss... My, bridge-building is sure hard to learn, even if it's only TV-bridge-building.**

Cartoon by Vsevolod Arsenyev

The Soviet leadership has adopted a political decision on the withdrawal of Soviet troops from Afghanistan. Moreover, at a recent meeting of parties and movements in Moscow, Afghan leader Najibullah revealed that there was no longer a Soviet troop presence in 12 of the country's 30 provinces. The Soviet troops will be pulled out completely only when foreign interference in Afghan affairs has ended and non-resumption of this interference been guaranteed. And it is this that the United States and those influenced by it are reluctant to do.

Suffice it to say that the covert pressure and backstage manoeuvres of U.S. diplomacy led to the rejection of amendments proposed by Syria and South Yemen to the Pakistani draft resolution. These amendments, having noted the progress achieved and the need to observe the principle of non-interference in the domestic affairs of Afghanistan, would bring the U.N. resolution into conformity with the present situation and thus make it possible to approve this resolution by a consensus.

But that did not happen. One has the impression that many U.N. member states are acting mechanically, without taking the trouble to examine more closely the changes taking place in the Afghan situation.

Clearly, such an approach does not contribute to a just settlement of the Afghan question at the earliest possible date.

**ALEXANDER USVATOV**

TUNISIA

# Change of president

● THE REPLACEMENT OF THE PRESIDENT OF TUNISIA TOOK PLACE UNEXPECTEDLY, THOUGH IT HAD LONG BEEN ON THE CARDS!

That 84-year-old President for life Habib Ben Ali Bourguiba was being replaced was announced on November 7 by Zine al-Abidine Ben Ali, who only a month earlier had become Tunisian Prime Minister. The reason given was Bourguiba's inability for health reasons to cope with the job of head of state. According to Article 57 of the Tunisian Republic's Constitution, in such a case the Prime Minister takes over the presidency.

In his address to the nation, the new President paid tribute to Habib Bourguiba's role in the liberation of the country and its advancement over a period of more than 30 years. Bourguiba moved to a residence of his own choosing - the presidential palace in the suburbs of the city, where, according to the authorities, he retains all the facilities to enable him to continue his former way of life.

Preparations for Habib Bourguiba's departure from the political scene had in effect been under way for some time and were aggravating the struggle between the different social and political groupings or, as they are called in the local press, the different clans. In the last years of Bourguiba's presidency, the country's economic situation deteriorated perceptibly and social conflicts were more frequent, although a certain change for the better was evident last year. Moreover, religious extremists from the so-called Islamic Trend Movement had stepped up their activities. Last August they carried out a number of terrorist actions in tourist hotels in several towns.

It was immediately after these events that the Minister for the Interior Ben Ali was appointed Prime Minister and Secretary-General of the ruling Destour Socialist Party.

And just over a month later Ben Ali himself became president of the country. He is 51 years old, an electronics engineers. But he is also a professional soldier, having graduated from military schools in France and the United States. For many years he was responsible for military and national security. He holds the highest military rank in the country - general of the army.

The acuteness of the social and political problems and the deterioration of Tunisia's economic position, it was stressed in the Arab press, required that a strong politician should be at the country's helm. So Bourguiba's choice of Ben Ali as his successor came as no surprise to local political observers.

The new president has appointed Hedi Baccouche, a prominent politician, Prime Minister, formed a new government, and made new appointments in the army, the security forces and the Ministry of the Interior.

The first steps taken by Tunisia's new leadership indicate its determination to get the economy moving again as quickly as possible, boost living standards, and democratize political life. These plans have been well received by Tunisian progressive circles. It has been reaffirmed that the country will abide by all earlier-concluded international agreements, and that its foreign policy will remain unchanged. Special significance is attached to Islamic, Arab, African and Mediterranean solidarity, and the development of relations with all friendly countries.

**EVGENY BOBROV**
**our own correspondent**
Algiers

GREECE - U.S.A.

# Spanish flu spreads to Greece

● FOLLOWING THE SETBACK IN SPAIN, THE PENTAGON HAS ANOTHER HEADACHE TO COPE WITH - THE FATE OF U.S. BASES IN GREECE.

As was feared in the United States, the worst has happened - Spain's example has proved infectious. Athens has followed Madrid's lead and is again demanding the removal of U.S. bases. The five-year treaty on leasing four major bases and 20 small ones expires on December 31, 1988. If no agreement is reached between the two sides, then the last American soldier must leave Greece within 17 months, and all nuclear weapons must be withdrawn during the same period. Any new talks will have to start from scratch. Agreements will have to be approved by the Greek people in a referendum. And the issue of the bases is being linked with the settlement of the Cyprus and Aegean Sea problems, with guarantees of security along the Greco-Turkish borders.

The loss of all 24 U.S. military installations in Greece - on the doorstep of the Middle East conflicts and oil, close to the southwestern borders of the Warsaw Pact countries - is far more grave in the Pentagon's eyes than the loss of its Pyrenean rear bases (see issue No. 46, 1987). The angry words and threats pouring from across the ocean in response to the Greek leaders' firm and independent tone is an unmistakable sign of the helplessness of the American generals and the absence of any ideas as to how to extricate themselves from such a situation.

The authoritative Wall Street Journal advises restraint. It believes that the U.S. would be wise not to provoke Papandreou....It also notes that Turkey, unfortunately, cannot replace Greece in the Western alliance....Moreover, Turkey's increased value to the West after Greece leaves the alliance will make Ankara just as demanding and intractable as Athens is today.

The New York Times takes a different stand. "Papandreou," it writes, "is making enemies in Washington, and the hawks there might just decide one day to call his bluff." Attempts to intimidate are not confined to mere words. Everything is being brought into play: from advising the Greeks to replace their Prime Minister to accusing Athens of ties with terrorists; from fanning the Greco-Turkish conflict to recommending American tourists not to travel to Greece.

Terrible though the possible loss of an important foothold might seem to the Pentagon, what is regarded as even worse in the U.S. is that the issue of the bases has caused their ally to reappraise many Atlantic values. What specifically? Here is what Greek leaders are saying:

"Gone are the days when the Americans, including journalists and others, regarded themselves as all-powerful, and could appoint Greek prime ministers."

"We believe that the Mediterranean belongs to the Mediterranean nations. We want neither American nor any other fleets there. We do not want any foreign military bases in the Mediterranean area."

"The Balkans must become a nuclear-free zone."

"The Greeks have no intention of reconciling themselves to the policy of the whip that the United States is trying to pursue."

The United States is having to acknowledge with regret that such views are not confined to Greece and Spain, but are common to all of Western Europe, which is becoming increasingly aware that its interests do not necessarily coincide with those of the United States. Even in an area that was once untouchable - security.

**LEV MAKAREVICH**

# Parity reassessed

**The new way of political thinking calls for a thoughtful reappraisal of "unquestioned" concepts.**

IGOR MALASHENKO, Cand. Sc. (Philosophy)

The floating research base Convention, the command post of a Soviet-American space experiment, is on the high seas between Vladivostok and San Francisco. The location of the vessel at the mid-point of a straight line between the two cities is in keeping with the principle of absolute parity that is at the heart of an unprecedented joint planetological research project. The Convention has two captains, a Soviet and an American, who have the same measure of authority, and the same mirror principle governs the architecture of the entire experiment, crowned by a Soviet-American orbital station called Parity. Thus Chinghiz Aitmatov visualizes cooperation between the U.S.S.R. and the U.S.A. in space in his fantasy, "A Day Lasts a Century."

There is something very attractive about that vision of ideal parity. It is clear to anyone reading the novel that if at some point the Convention moved closer to the U.S.S.R. or the U.S.A. or if the organizers of the experiment chose to abandon the idea of strictly symmetrical manning, the experiment would have gone ahead anyway. But the experiment in the novel symbolizes broader parity between the two countries and for that reason every small detail is significant.

Unfortunately, we are more accustomed to using the term "parity" to describe a state of nuclear balance than to describe cooperation between the two countries. We are also accustomed to taking nuclear parity to mean "the preservation of a rough equality between the nuclear potentials and weapon systems of the two opposing sides for the purposes of their security," the definition given in the Military Encyclopedic Dictionary. We take that kind of approach for granted, but is there any other way of guaranteeing security?

The postwar arms race has shown that at best it can guarantee an equal degree of threat, and this despite the fact that in recent years competition in nuclear weapons has been conducted on a footing of parity. The 27th CPSU Congress reached the conclusion that the arms race could push the above equal degree of threat to a limit where even parity would no longer be a military or political deterrent.

Drawing by Igor Shein

What has happened? Why has the idea of safeguarding international security defeated its object before our very eyes?

The term "parity" gained currency in American specialist usage in the mid-1950s, when the Soviet Union began to acquire the capability, albeit a hypothetical one, of delivering a retaliatory strike in the event of a massive U.S. nuclear attack. The United States began to regard the situation as a nuclear stalemate. Former U.S. Secretary of Defence Robert McNamara now says that "parity existed in October 1962, at the time of the Cuban missile crisis," while he acknowledges that "the United States then had approximately five thousand strategic warheads, compared to the Soviets' three hundred." He goes on to say that "despite an advantage of seventeen to one in our favour, President Kennedy and I were deterred from even considering a nuclear attack on the U.S.S.R. by the knowledge that, although such a strike would destroy the Soviet Union, tens of their weapons would survive to be launched against the United States. These would kill millions of Americans. No responsible political leader would expose his nation to such a catastrophe." Mr McNamara's conclusion is that the "'width' of the 'band of parity' is very, very great."

The former Secretary of Defence understands parity as a military-strategic equilibrium whereby no political end may be gained by either side if it uses its nuclear weapons. To maintain that equilibrium does not require that the nuclear potential of the other side be symmetrically matched weapon for weapon. Experts on the Soviet Scientists' Committee for Peace, Against the Nuclear War Threat believe that the dynamic range of military-strategic equilibrium is very wide, and that this levels out the differences between the nuclear arsenals of the two sides.

Until the early 1970s, parity was understood as the capability of the United States and the Soviet Union to cause an unacceptable amount of damage to one another regardless of who delivered the first strike. That interpretation did not suit Washington, as a situation of parity made the stockpiling of nuclear arsenals pointless.

That is why American strategists began to advocate a different idea of parity as the qualitative and quantitative equality of nuclear arsenals. That Washington tends to place so much emphasis on equality clearly betrays an ulterior motive, the more so as in the early 1970s the U.S. strategic arsenal was far superior to the Soviet one in its combat capability. The signs are that the United States has no intention of abandoning the leading role in the arms race. The new notion of parity was designed to force the Soviet Union into a position of endless pursuit because Washington was certain that it would be able to stay way out in front in the race, relying on its "technological superiority."

The point was to turn the very idea of parity into a mechanism for accelerating the arms race. Instead of remaining a mutual nuclear deterrent, parity was turned into an esoteric mathematical formula. Washington even attempted to use in its own interests the procedures for counting weapons arrived at as part of the SALT process. These procedures are of an essentially technical nature and their purpose was to facilitate the process of framing agreements and verifying compliance with them; Washington, however, turned them into the principal criterion in assessing military-strategic balance. As a result, the fact that any nuclear war, however "limited," is absolutely unacceptable to both social systems from the political, moral, and social points of view was pushed into the background.

The symmetrical interpretation of parity

has gradually come to be taken for granted. At first glance it did not contradict the common sense approach according to which a new weapon system acquired by the other side can only be counterbalanced by a similar system, and "their" hundred warheads only be matched by "one's own" hundred warheads, and so on. That interpretation ignores some imortant details. First, the interpretation of parity as the equality of the strategic capabilities of the two sides enables the Americans to force us into avenues of the arms race of Washington's choosing, putting us at a disadvantage. Second, American hawks acquire a means of readily stalling the process of negotiations with the Soviet Union, as agreement is hard to arrive at where arms control experts themselves cannot distinguish "levels" from "sublevels." And third, misled public opinion in various countries fails to understand why the process of disarmament has entered an impasse, and begins to believe the claims about the "equal responsibility of the superpowers."

As former U.S. Secretary of Defence James R. Schlesinger said while in office, parity is also important for "symbolic purposes," because the strategic forces have come to be seen as "important to the status and stature of a major power." This would rule out the tricky "whys" and "wherefores" with respect to accepted status symbols.

The new political thinking calls for a thoughtful reappraisal of the most established and indisputable notions. As the Soviet leaders have said on many occasions, the Soviet Union will make every effort to maintain the military-strategic parity that prevents a nuclear war from breaking out, but there is no need to take part in the arms race on a footing of parity. This is demonstrated by the concept of reasonable sufficiency in defence suggested by Soviet experts, and the rejection by the Soviet side of a symmetrical response to SDI, a move that provoked considerable annoyance in Washington. The double zero option with respect to medium- and shorter-range missiles does not fit into symmetrical parity either, as the Soviet Union is prepared to scrap far more weapons than the United States is. Some U.S. policy makers have, it seems, met themselves coming backwards: they did propose something of the kind, but they did so because they felt that Moscow would never accept their proposals. That Washington tends to consider armed force nothing short of the principal means of maintaining America's prestige is of course its own business. The Soviet leadership has lately taken a different line whereby "achievements" in the arms race are not viewed as contributions to the status and stature of a nation on the world scene. Its standing can only be strengthened in other, constructive, areas. ■



# Agriculture at the crossroads

## Family farms or cooperatives?

The situation in agriculture is the talk of the day in Yugoslavia. Agricultural problems command the attention of the media, party and government bodies, they are being discussed at meetings of experts. The development of agriculture was also high on the agenda of the plenary meeting held by the Central Committee of the League of Communists of Yugoslavia on May 28 and 29.

Why are the party and public opinion so concerned about this branch of the national economy?

### Achievements and problems

The greater part of Yugoslavia lies in a zone with a benign climate. The fertile soil, generous sun, heavy rainfall, short, mild winters and, of course, the hard work of the peasants ensure bounteous yields of grain, fruit and vegetables. Livestock production is also well developed. Yugoslavia is the biggest maize producer in Europe, and high wheat yields - up to six tons per hectare - are often harvested. It has an abundant supply of agricultural products and even exports a small amount, some of it to the Soviet Union.

Driving through rural areas, you see well-cultivated fields and villages with modern amenities and public services. Dusty villages with winding streets and tumble-down houses have long been a thing of the past. Most peasants live in modern comfortable houses. According to local statistics, over 80 per cent of houses in rural areas have been built anew or refurbished in the past 30 years.

Nevertheless, agriculture came in for serious criticism at the 13th congress of the League of Communists of Yugoslavia held last year. It was stated that agricultural production was actually marking time. Though over a year has passed since the last party forum, the weekly journal Komunist said in August, the situation in agriculture has not changed for the better, and the targets for more rapid development are being fulfilled slowly.

At the May plenary meeting of the LCY Central Committee, Stefan Korosec, a member of its Presidium, spoke of

**These cultivators produced by a factory in Knjazevac are popular with private smallholders.**

Photo from magazine Echo (Yugoslavia)

stagnation in the countryside. Having the potential to feed at least 80 million people, he stressed, the country's agricultural production only satisfies the requirements of the 23-million-strong population. True, a proportion of Yugoslavia's agricultural products goes for export.

In the current period, difficult for the Yugoslav economy as a whole, some comrades believe agriculture could become a link with which an attempt could be made to extricate the country from its protracted socio-economic crisis. But this has not yet happened. The concept of agricultural policy drawn up by the League's 13th congress is encountering serious obstacles created, Stefan Korosec believes, by material problems and ideological and political differences as to ways of further developing agriculture in a country with diverse forms of land tenure.

There are over 3,000 publicly-owned agricultural farms and 2.6 million individual peasant farms in Yugoslavia. The public sector owns 17 per cent of cultivated land and 12 per cent of the cattle stock, and accounts for half of commodity produce. I was able to visit the agro-industrial complex Beograd in Vojvodina. It usually harvests up to six tons of wheat and roughly seven tons of maize per hectare. Each cow yields 5,000 to 6,000 litres of milk a year.

Equally high yields are obtained in the Tamis, Becej and Godmin agro-industrial complexes. The public sector has at its disposal modern equipment, an agrochemical service, enterprises for processing agricultural produce, and an extensive network of shops.

What is the state of affairs in the private sector? It must be said that highly efficient farms are found there as well. Under the contract system practised in Yugoslavia, the efforts of privately held peasant farms are pooled with the efforts of agricultural complexes and associations for the joint cultivation of land. Peasants believe that the conclusion of such contracts with varying degrees of cooperation improves their condition by guaranteeing a certain confidence in the future. Considerable assistance is given to farmers in purchasing seeds, fertilizers, fuel and lubricants. Peasants do not have to take their products to market or sell them to wholesale dealers.

However, under 50 per cent of private smallholders cooperate with agricultural complexes and cooperatives in the growing and marketing of their produce. The rest rely on their own efforts and on the market situation. They are not always able to grow a good harvest by themselves, and it is even more difficult, acting alone, to market their produce profitably.

Under the Constitution, a peasant is allotted for his own use up to ten hectares of land suitable for cultivation. But over half the farms have not more than three hectares each. It was noted at the May plenary meeting of the LCY Central Committee that peasant farms are getting smaller from year to year. This process is also facilitated by the imperfect law on inheritance: land plots are divided up and often fall into the hands of people who do not want to engage in farming and sell the land to town-dwellers, who build holiday cottages on it. In these circumstances there can be no question of applying the modern technology of production or of increasing agricultural output.

## Options

About a million hectares of arable land are not tilled in Yugoslavia. In 1948 80 per cent of the population lived in the countryside. Today the figure is considerably lower, though only one in five rural people is now engaged in agriculture.

For decades more has been taken from the countryside than has been given to it, Branko Kristin, an agricultural scientist, thinks. Between 1952 and 1970 alone, over 60 billion dinars, or about five billion dollars, were siphoned from agriculture into industry because of the understated prices of farm products. It is not surprising, Kristin believes, that nearly half the population of two thirds of the country's villages has moved to the towns since 1955.

It was noted at a Belgrade symposium on planning the development of the countryside that old people are the main labour force on private small holdings. It is true that they are highly skilled farmers. But it is becoming increasingly difficult for them to run their farms. At 75 per cent of farms there are either no heirs or the young people are preparing to take up new professions.

The exodus of young people from the countryside is not explained by economic reasons alone. Many of them complain of low cultural standards and the lack of urban amenities. In a number of regions, demographic problems have been aggravated and new families are being formed at a greatly reduced rate. Not every village girl is prepared to do hard work on small holding all her life. A fair proportion of able-bodied young people go to Western Europe in search of temporary work, but the temporary work often lasts 10 or 15 years and more.

No wonder agricultural work is one of the least popular occupations with young people, the May issue of the journal Komunist says.

What ways of advancing agriculture are envisaged by Yugoslav Communists?

It is necessary in the first place to raise the ten-hectare ceiling, say many individual farmers in, for instance, Croatia. Larger plots, in their opinion, would enable farmers to increase efficiency, apply machines and put scientific achievements to use. A number of speakers at the May plenary meeting of the LCY Central Committee proposed that a peasant should be given as much land as he can cultivate. In the opinion of Slovenian agricultural scientists, the size of a plot should be raised to 40-50 hectares. They think that only such farms will be able to withstand competition with agricultural producers in the West.

But specialists at the Belgrade Institute of Agricultural Economics doubt that the family farming way is correct. They noted in conversations with me that large rural families capable of cultivating 40 to 50 hectare plots are disappearing. A farmer will be unable to cope with this work without hiring labour. The abolition of the plot ceiling, economists say, would only lead to profiteering in land and to more acute social differentiation in the countryside. The hiring of labour would mean a violation of the Constitution, a departure from the principles of socialist management.

"The way out lies in cooperation, and again in cooperation," the well-known agricultural specialist Branislav Gulan recently wrote in the newspaper Borba. He thinks the 300,000 cooperated peasants of over 2.6 million private small holdings is far from being the best result of the agricultural policy pursued in Yugoslavia over the past almost 40-year period.

Together with large agro-industrial complexes, the cooperatives could become a lever for raising agricultural production to a new level. Moreover, cooperatives should include all forms of agricultural production, even the baking of bread, as well as the repair of household appliances owned by farmers and the provision of leisure facilities.

It is necessary to break down resistance to the extension of cooperation and to create conditions for more rapid socialization in the countryside, the newspaper Borba writes. It is only in this way that agricultural production can be doubled and the cherished goal of annually exporting farm products worth 2.2 billion dollars can be achieved. Only thus can Yugoslav agriculture be sure of catching the train to the 21st century.

**SERGEI KULIKOV**

Belgrade-Moscow

# A debtor's pound of flesh

VITALY SOBOLEV

**Brazil's foreign debt of 113 billion dollars is the largest in the Third World. Among its creditors are almost all the major government and private financial institutions of the industrialized West. At present they do not want to allow the country, with its wealth of natural resources, to break out of its debt stranglehold. Why?**

The forgotten figure of the usurer is moving into the spotlight once again at the end of the second millennium, having acquired a new quality which has made it even more dangerous. The feeling of unease, however, is due not so much to the figure itself as to the evil engendered by it - the liabilities of many nations and their governments. Foreign debt has indeed become a self-propagating phenomenon in itself, dictating lines of conduct not only to the debtors, but to the creditors as well.

This is borne out by the example of Brazil, which has run up the heaviest debt of all the developing countries. It boasts enormous material and human resources. Its international prestige compels its creditors to treat it with respect. Its debt (which amounted in June 1987 to some 113 billion dollars) is so huge that the usurers simply cannot afford to ruin it.

This debt, which Brazilians call "unpayable" without a shade of humour, accumulated during the rule of generals-turned-presidents. They set the nation the task of becoming one of the great powers of the West by the end of the century. It was the working people who were forced to make the sacrifices in the name of economic advancement: their living standards consistently went from bad to worse. The military rulers, meanwhile, contracted one loan abroad after another. Under them Brazil did not repay its debts. The state of its finances often prevented it from even servicing them. Further loans had to be raised just to redeem earlier ones. This kind of "refunding" of foreign liabilities more than doubled the debt in the 1980s alone.

Brazil's civilian leaders, who took over from the military in March 1985, have declared repeatedly they are not going to pay off the debts at the price of hunger and economic standstill in their country. Their resolve has been put to the severe test this year. It all started when the balance of foreign trade confronted them with a difficult choice.

Exports in 1987 are to add up to some 23 billion dollars (about a tenth of the gross national product). It will be much harder to limit imports to two thirds of export revenues so as to leave nine billion dollars to service the debt. In the first quarter of the year, the foreign trade surplus barely exceeded 500 million dollars. Hard currency reserves, which came to ten billion dollars in May of last year, shrank by a half early this year. The country had to face the need either to obtain further, multibillion-dollar credits, with a corresponding buildup of liabilities, or to declare a moratorium on interest repayment.

**Brazilian farm hands receive meagre pay for their back-breaking toil. The huge external debt is exacerbating the already dire plight of the working people.**

The Brazilians entered talks on further loans in good time. But they were offered terms which were unacceptable to Brazil both financially and politically. The loan sharks would not budge, hoping that the drastic situation in the country would make its leadership give in.

The civilian government has declared its prime goals to be to promote democracy and manage the economic crisis. In February of last year a radical economic plan was adopted, code-named Cruzado after the new currency unit that is equivalent to 1,000 devalued old cruzeiros. The plan's principal purpose was to bring galloping inflation under control. The government opted for a pay and price freeze as the main tool for the job.

Trade unions feared, with reason, that the working people's living standards could fall even further as a result of the plan. But the population at large welcomed it, hoping to be better off with stable prices. The business community initially refrained from openly countering the Cruzado plan, but soon found covert ways of sapping it. Many staple foods became hard to come by in the retail network. Before long the clandestine sabotage of the plan escalated into an open showdown between industrialists and the government.

Sharp conflicts broke out in the countryside, mostly over the land issue. With around ten million landless peasants inherited from the military dictatorship, the civilian government has decided to launch sweeping agrarian reform. But landlords and the rural bourgeoisie started a protest campaign. The Agrarian Democratic Union they have set up to oppose the reform carries political weight as farm produce makes up the bulk of Brazilian exports.

The strike movement, in the meantime, was also growing. Working people had to take industrial action in response to lockouts and the sabotage of the market by business circles.

The government of Brazil was thus under strong pressure from all sides. The price spread, that is the widening gap between the prices of what developing nations export and what they import, and protectionist measures taken by Western powers, made it increasingly difficult for Brazil to settle its international accounts. It is all these difficulties that the loan sharks decided to capitalize upon at the talks.

Brazil's creditors are not few. They include 16 Western governments belon-

ging to the so-called Paris Club, an unofficial international financial organization in which the role of coordinator is played by the French Ministry of Finance. The biggest of these money lenders is the U.S. government. Brazil also owes money to hundreds of private, mostly American, banks. The major private creditor is U.S. Citicorp, which has covered almost the entire non-socialist world with its subsidiaries and operations. Finally, Brazil has drawn some credits from international financial agencies.

Many and varied as they are, Brazil's creditors have always acted as one.

For some time they have been forcing it to accept disadvantageous terms of repayment, including deadlines, rates and the so-called spread, or extras paid for financial risk. For some time they have been pressing Brazil, as they have other borrowers, to adopt a policy of austerity or belt-tightening whereby meeting the interests of the creditors is proclaimed the economic priority. To make sure that a debtor nation forms a fund for paying off the credits, they compel it to export raw materials and equipment it needs itself, give up the import of goods required by its economy, devalue its currency unit and cut back government spending, especially expenditure on social welfare.

The usurers do not confine themselves to recommendations. The International Monetary Fund (IMF) builds its relations with the debtor countries on the basis of monitoring, or supervision by its authorized agents, of the economic policies of their governments, with the right to correct these policies. Both private creditors and governments granting loans to Brazil also demand the same arrangements.

Talks with creditors from the Paris Club are held behind closed doors. The Brazilian magazine Veja, however, has been able to obtain a copy of the following cable from Dilson Funaro, who was then (in January 1987) Brazilian Finance Minister, to the country's representative at the negotiations in Paris: "Stop! Tell them the terms they are foisting on us are an insult to the Brazilian government. Tell them that the talks are broken off and that Brazil reserves the right to halt the payments."

All in all, according to the local press, the creditors made nine demands. One was for a foreign trade surplus of 12 billion dollars, which for Brazil would amount to "devouring itself." Another was for IMF monitoring.

Dilson Funaro, author of the Cruzado plan as well as the cable, who personified the "development before export" principle, aroused the usurers' hostility with his stubborn defence of this principle. And when last February, Brazil, rejecting their demands, declared a moratorium on servicing loans (except short-term ones), they mounted an open attack on him. David Mulford of the U.S. Treasury Department warned without mincing his words that either Brazil's economic policy would be changed in favour of an orthodox one or the Finance Minister would be changed and an orthodox economic plan then adopted. The attacks on Dilson Funaro, as indicated by this admission, were only a tactical move. The loan sharks' real target was the economic policy of the Brazilian government. And after the declaration of the moratorium, the campaign to destabilize that government moved into a higher gear.

Some related details were revealed by the newspaper Correio Braziliense published in the capital, which quoted President José Sarney. According to the paper, he believes that the campaign involves various forces, but "foreign bankers have become the most powerful lever for destabilization." They are reluctant to tolerate Brazil's moratorium. Acting in the same alliance with them are right-wingers who have provoked social chaos. José Sarney also believes, according to the paper, that some of the military are busy "preparing a return to the former regime." These army circles clearly intend to take advantage of the nation's financial and economic difficulties.

First rumours and then detailed information about preparations for a military coup have begun surfacing in the Brazilian and U.S. press. The magazine Veja, for example, summarized a document prepared by the Aeronautics Information Centre (a secret service). One by one, the document drew far from always justified parallels between the policies of the José Sarney government and those of the Popular Unity government of Chile, and between the situation in that country then and in Brazil today. It ended with the words: "On September 11, 1973, Allende was deposed." The document is unambiguous. Finally, the widow of former Brazilian President Juscelino Kubitschek recalled that during his administration, too, after he "had begun quarrelling with creditors and rejected the demands of the IMF, his government ran into opposition and there were actions by the military."

In April 1987 Dilson Funaro resigned. And in June the New Cruzado economic plan was adopted. The devaluation of the cruzado prompted Veja to conclude that "export has again taken priority over development." The magazine also reported that the IMF would probably be allowed to go ahead with its monitoring procedures.

But the greatest satisfaction to the usurers, as one can guess, has been afforded by Brazil's agreement to their demand for part of its debt to be converted into foreign investments. The benefits to them from these arrangements are indisputable.

Even back in the 1970s transnational monopolies controlled a half of Brazil's industry, and were actively infiltrating its agriculture, especially in the newly developed free lands in Amazonia. These investments in the country now stand at over 26 billion dollars, while the part of the foreign debt targeted for conversion into foreign capital outlays runs at just the initial phase, to 35 billion dollars. It is easy to see that the usurers are out effectively to auction Brazil off.

Will the country then be able to lighten the burden of its foreign financial obligations? Hardly, since investments should bring profits. It is the high rate of profits and the possibility of taking them out of Brazil that have always attracted foreign capital there. Thanks to the lure, the influx of funds from abroad until recently was more or less equal to the outflow of profits. Owing to hard currency difficulties, the picture has now begun to change. What will happen, then, when the profits from the 35 billion dollars' worth of Brazilian property end up in the loan sharks' hands? They are indeed poised to bite off a piece of Brazil, like the pound of flesh demanded from a debtor by Shakespeare's Shylock.

So is there a dignified way out of the foreign debt dead end?

In the search for an answer it was decided last summer for the first time in Brazil's parliamentary history that a representative delegation from the Senate of that major Latin American country would go abroad on the unusual mission to find out the origins, and check the legality, of the foreign credits and loans earlier provided to Brazil, and tell its creditors once again that its debts "will not be repaid with the hunger of its people." Senator Fernando Enrique Cardoso, a delegation member, told a press conference in Brasilia that Brazilian MPs were going to share actively in efforts to find a way out of the crisis in which their country had been landed by its fettering debt of 113 billion dollars. He said that the outside world should be made fully aware that Brazil will not paralyze its social and economic development just to settle its liabilities. His country, he added, still had a very high poverty level, and so the Brazilian parliamentarians were prepared to support only such talks on further debt repayment as would take into account its paramount national interest of continued economic growth so as to avoid a slump and unemployment.

# Anton Nilsson's celestial odyssey

**I thought men like him were no longer to be found, but I had a surprise in store.**

**He lives in an old brick house in Arsta on the outskirts of Stockholm. I climb a steep, winding staircase and ring the bell by the door with the sign reading "Anton Nilsson, airman." A short, slight old man greets me. His inner vitality is not immediately apparent, but as Sweden's and perhaps Europe's oldest revolutionary begins his story, a miracle occurs: his voice takes on a firmer tone and the sparkle returns to his eye. He remembers his revolutionary youth, and it is hard to believe that he has just celebrated his hundredth birthday.**

Says Anton Nilsson: The Skane peninsula is Sweden's breadbasket.Last century it was a land of peasant farmers. I was born here into a farmer's family in 1887. The people were poor and had no real rights, but the movement for a better life was beginning to get under way. Two years later the Social Democratic Party of Sweden was founded. Soon after that the trade unions of the country formed an alliance. Despite a very modest education (farmers' children were entitled to a short period of schooling with the emphasis on religious instruction) I took an interest in politics at the age of 16. I was prompted by a metal workers' strike. Later, I joined the protests against the government's intention forcibly to keep Norway under the dominion of the Swedish crown. It was at that time that I developed an aversion to militarism.

## Man from the Amalthea

As the youngest son of the family I left home at an early age in keeping with tradition, but I visited my parents very often. I became a factory worker. During one of my visits in 1905 my father, who always read his newspaper aloud, called my attention to the massacre of peaceful protesters in St.Petersburg, an event that became known as Bloody Sunday. The brutality of the tsar shook me to the core. It was perhaps the realization that the situation in Russia could not have been changed in a peaceful way that suggested the idea to me of respoding to violence with violence. The issue was much debated in Sweden at the time, as the conflict between labour and capital was growing increasingly bitter, reaching its culmination in 1908. Farm hands and factory workers went on strike. The pace was set by the dock workers, who were supported by the builders. I joined the strike. Employers backed by army and police tried hard to crush it using lockouts, scabs, and brute force. Steamships carrying British unemployed workers called at Sweden's ports. The British were promised large rewards for doing the jobs of the sacked Swedish strikers.

Together with two comrades whom I met in the Young Socialists' cell, I decided to resist the arbitrary action of the authorities. On July 12 we blew up the steamship Amalthea, which was bringing British strikebreakers to Malmö. We were tried and sentenced to death. An international outcry followed and the sentence was commuted to life imprisonment. For ten years I languished in jails. Most of that time I spent in solitary confinement.

The jailers went out of their way to break my will, but I am still proud that the newspapers and even the chaplain. who doubled as a stool pigeon, acknowledged that I was Sweden's most popular prisoner at the time. We surreptitiously formed an anti-militarist cell, which was joined by a guard whom we converted to our creed, and celebrated May Day. I did not feel that I was alone in my solitary confinement; the campaign was gathering momentum in the country for the release of the trio that had blown up the Amalthea. We were certain that victory was near.

## Born to fly

And indeed victory came as the February Revolution in Russia forced our government to look for a new approach to stemming the tide of the class struggle in Sweden. It was at that time that the decision was taken to release us. The Swedish bourgeoisie had to abandon one of the crudest ways of bringing pressure to bear on the proletariat. Army rifles and lockouts gradually gave way to a conformist policy of compromise.

I found myself in jail again in the autumn of 1917, when power hung in the balance between the workers and the bourgeoisie in Petrograd.

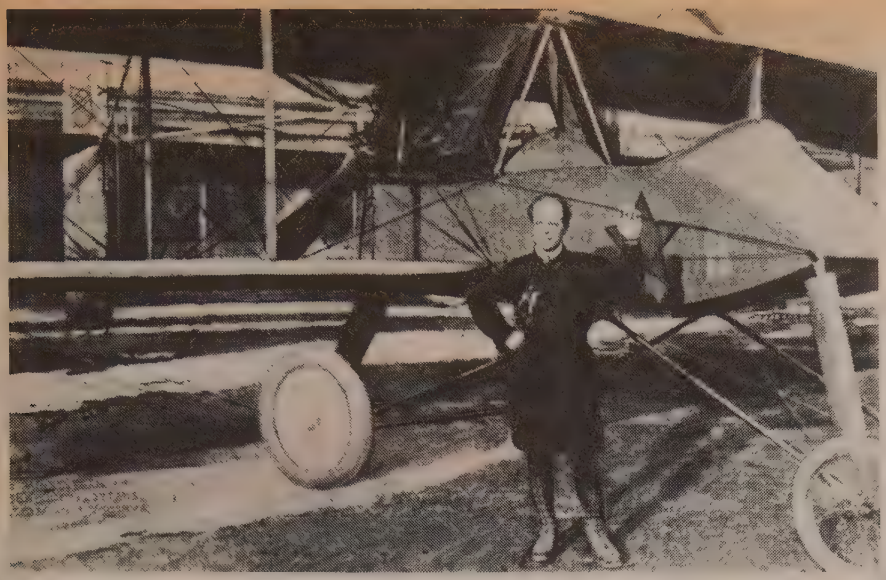
The October Revolution marked a turning point in the history of Russia and launched the process of worldwide liberation from exploitation. I was among those whom it saved, and I will never forget that.

Russia's workers and farmers adopted the ideals of socialism to put an end to the fratricidal war in which millions of proletarians from Germany, France, Britain, America and many other nations were dying. As the war psychosis reached a peak among Europe's Social Democrats, the Bolsheviks voted for the resolution of the Zimmerwald conference. It is only to be regretted that other parties attending the conference failed to act as international solidarity dictated.

I knew quite well what my own life should be dedicated to. I decided to go to Russia to defend the revolution, beleaguered by the rulers of the alliance against the Bolsheviks. I realized that a revolution supported by the vast majority of the people needed soldiers and skills in equal measure.Back in Stockholm's Langholmen prison I decided to become a pilot. I saw Carl Söderstrom pilot his plane over the city through the window of my cell. After I was released I enlisted the support of that daring and outgoing man, who decided to help me, the "criminal" from the Amalthea, in spite of his aristocratic background.

Another man from the upper class, the banker Olof Aschberg, agreed to insure me against accident during a training flight. He probably wanted to compensate me in some way for my suffering in jail as he did not approve of the harsh methods of dealing with the protests of the proletariat.

I spent several months at the aviation school Ljungbyhed where cadets flew Anzanis,Bleriots and Albatrosses, I received my pilot's licence. I was ready to go to Petrograd, but unfortunately the Swedish Social Democratic Party did not want to have anything to do with the Russian Revolution, and I was unable to raise any funds there. I had 750 kroners, which bought me a steerage ticket to Russia. The ticket entitled me to a hammock on the deck. Angelica Balabanova, who was returning home from a Stockholm posting, helped me get an entry visa to Russia.



**Anton Nilsson on Air Force Day. Moscow, 1919.**
Photo from the Workers' Movement Archives, Sweden

On September 21, 1918, the steamship Lulea set out from the Skeppsbro wharf carrying a group of Swedish businessmen. I stood on the upper deck, waving goodbye to the friends who had come to see me off. Their parting gift to me was a pilot's suit and equipment.

We did not know what awaited us. The Baltic Sea had been sown with mines, and U-boats could attack us at any moment. The Swedish newspapers were printing horrifying stories about the "gory dawn" in Russia, and the Finnish government denied the Lulea the right to call at Helsinki.

## Petrograd

The sea was rough. I was unable to get to sleep in my hammock and that was why I noticed a German destroyer as it was about to intercept us off the port of Reval. The Lulea got a dented hull, and German officers "borrowed" our cigarettes and liquor, but we were allowed to proceed to Kronstadt.

The native land of Lenin, Tolstoy, Gorky and Kropotkin was preparing to celebrate the first anniversary of the revolution. The revolution had every reason to be proud of its achievements. Peasant farmers had been given land, workers an 8-hour working day and paid leave, women equal rights, and the largely illiterate population had been given rights and access to education and running the country. The expropriators had been expropriated, and that was a triumph. I do not want to idealize the situation in Russia at the time, for mistakes were made and excesses allowed, but the Bolsheviks should not be blamed for these, for they had taken an untrodden path as they defended the nation against a massive attack by the international bourgeoisie. Counterrevolutionary conspiracies and rebellions were organized and backed by the nations of the Entente. The German army was marching on Petrograd.

## In the skies of Russia

I wanted to fight for the revolution and very soon I was given the post of a pilot at the airfield in Gatchina. The small group of airmen who had gathered there were given the task of defending Petrorad from an impending attack by German warplanes. We were shorthanded and lacked spares, and had to spend a lot of time preparing our Newports and Farmans for combat. We were also short of fuel, and very often had to use a mixture of petrol and alcohol. The exhaust pipes spat fire and one of our headaches was protecting our clothes from flames.

We were redeployed to Pskov, where we joined the first workers' brigades to stop the Germans in their tracks. Later on we were moved to the Baltic coast. I spent a lot of time in the air, and my task was to spot the movements of the German troops. Despite all the efforts of my mechanic Fedya, my plane came to grief on several occasions. There were forced landings and accidents. Combined with hunger and cold, this began to tell on my health, which had not been very good to start with. In the summer of 1919 I requested a two-week leave of absence to go to Sweden.

Air Force Commander Sergeyev summoned me and asked me to carry out a number of assignments. I agreed gladly. By that time I had joined the Bolshevik party, and the trust my comrades put in me made me proud. I was given the task of collecting the latest publications on aviation abroad, and exploring the possibility of purchasing aircraft. I was also asked to find out through an acquaintance of mine who was close to the Russian aviation designer Igor Sikorsky whether the man who had designed the world's largest aeroplane, the Ilya Muromets, intended to return to his homeland.

On orders from the then Foreign Minister Chicherin, I was given two suitcases of diplomatic mail at the ministry addressed to Frederik Ström, who represented Russia's interests in Stockholm. Among other documents there were letters to the governments of Britain and France proposing talks on ending the intervention in Russia.

The Germans sealed off the Baltic Sea and Finnish frontier guards were under orders to shoot Russian couriers. I had to travel to Sweden via Germany, where I travelled with a German POW returning home.

I carried out all the assignments in Stockholm, but I failed to secure Sikorsky's return home.

In September 1919 I returned to Russia, where I served with the Air Force near Moscow, on the Baltic coast, in Central Asia, the Caucasus and the Kola Peninsula, and the Crimea. I was in Russia during the period of war communism and the New Economic Policy. I lived through the war and the devastation inflicted by it, met with People's Commissars, and fought against counterrevolutionaries in Central Asia. I also met my wife Martha in Russia. Later on I worked for the Soviet trade mission in Stockholm and met with the Soviet Ambassador Alexandra Kollontai. I helped establish the shipping of aircraft to Russia via Sweden and promoted contacts between public organizations and companies in the two countries. The only failure I remember, for our success was great, is the project to establish an airline between Central Asia, Moscow, Stockholm and London, which never got off the ground.

My first year in Russia was most memorable, albeit brief, period in my life. I am proud to have witnessed the beginning of the Russian revolution, a revolution that gave history a new dimension. The vast social, economic, scientific and technological gains throughout the world are a result of that revolution, which gave world progress a fresh impetus. The political changes in the world are a result of the growing influence of Socialism. That the nations of Europe can live in peace is due to the might of the U.S.S.R. and its firm policy of peace.

I rejoice at the results of the 70 years of the progress of the socialist system. Like millions of people around the world, I pin great hopes on the new period of revolutionary change that is beginning in the Soviet Union.

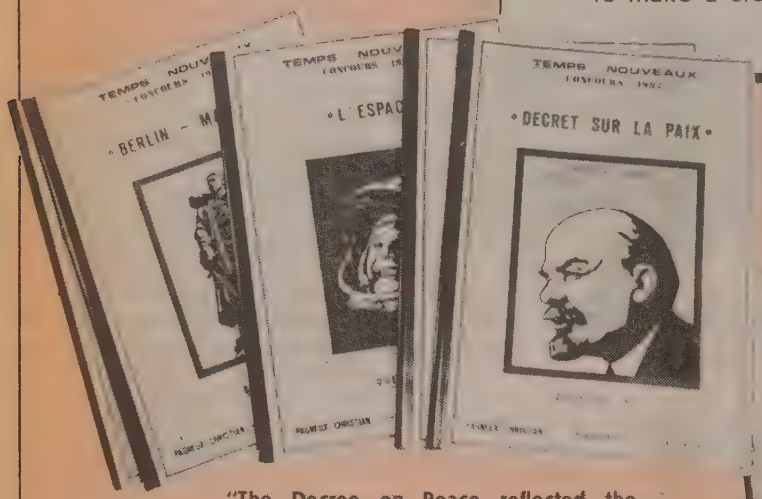
**Recorded by our correspondent**
**ALEXANDER POLYUKHOV**
Stockholm

"I thank the Editors for having conducted this quiz which afforded me a deeper insight into Soviet history and reality."

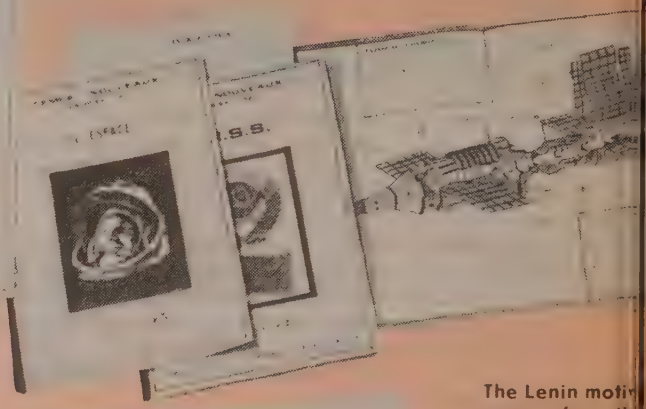
**TANIA MARCATO**
Padua, Italy

"May I extend greetings to you on behalf of hundreds of your Colombian readers and to thank you for this quiz which has given me a chance to take a new look at your country (which I had always wanted to make a closer acquaintance of)."

**GUSTAVO HURTADO**
Palmira, Colombia




**"The Decree on Peace reflected the interests of not only the peoples of Russia, but of all the peoples across the world." Christian Pagneux, a first prize winner, sent in his answers in separate albums.**



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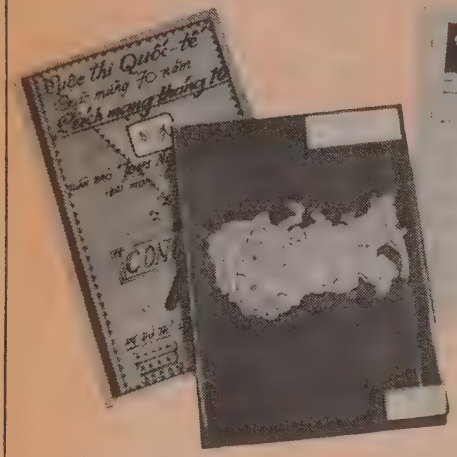
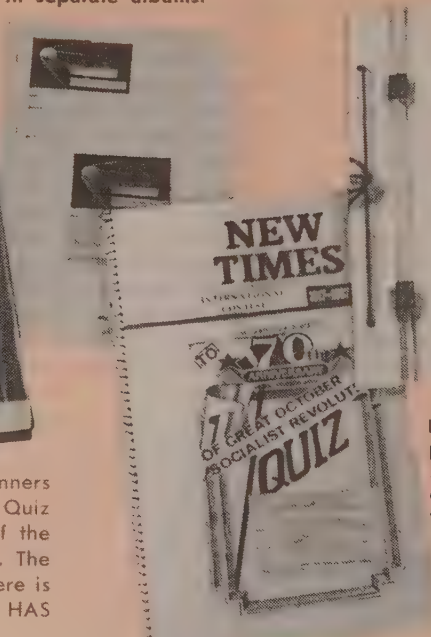
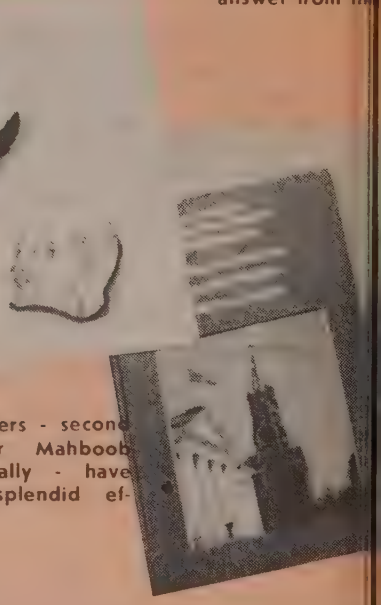




**Pakistani readers - second prize winner Mahboob Alam, especially - have contributed splendid efforts.**

In the last issue we named the winners of the New Times International Quiz devoted to the 70th anniversary of the Great October Socialist Revolution. The jury has completed its work, and here is

WHAT THE NEW TIMES QUIZ HAS SHOWN

We have put to the readers of our foreign-language editions seven questions relating to the history of our country and to the key aspects of our foreign policy.

Our Vietnamese readers were among the first to respond. They have surpassed all the others in the number of entrants: 397. Altogether, 1,268 letters have come in from 62 countries.

Replies varied from laconic and strictly-to-the-point ones, barely filling a page, to bulky volumes in gold-embossed hard covers of a hundred or more pages each - laborious research efforts.

No two answers to the standard questions we had asked were alike for the simple reason that our each correspondent expressed, wittingly or unwittingly, his or her personal notion of this or that event in our country's history. One could feel that many of them had much more to offer than asked for, and their answers went beyond the confines of the question Christian Pagneux, for instance, enu ted not only the latest Soviet initiatives, but all of them since 1922 Genoa conference to which Ge Chicherin, Soviet Russia's Commiss Foreign Affairs, had submitted the -ever universal disarmament progra

Whom did our quiz get interested participants introduced themselves, included an ornithologist, a sale a factory worker, a baseball coach, a

# E WAY EY SEE US 62 UNTRIES

every pants.

e magazine publisher, a miller, a olteacher, a doctor, plus a lot of lents. Many of them had certainly nt hours leafing through newspaper magazine files and consulting friends. udging by the answers to the question ut the first five-year plan, our readers ize how important that stage of our ory was. "In the period of economic and famine, the Soviet people eeded in showing the advantages of planned economy for all the world to That five-year plan was the most ial moment in your country's economic elopment," writes Manuel Esquerda, ozambican office worker. In some of the letters we've got from the developing world, readers compare this period in the history of the U.S.S.R. with what their own countries have gone through in the process of their industrial development, point out common features and differences.

By some of the letters we could judge about their authors' personalities and dispositions. Most showed marked partiality for question No. 5 about Soviet achievements in space research. Circumstantial answers to this question were illustrated with our cosmonauts' portraits, series of Soviet, Cuban and Vietnamese postage stamps on the space theme, and accompanied by stories about the Star Town, Baikonur cosmodrome, the Gagarin family.

Almost all the quiz participants evinced special interest in the Soviet Union's foreign policy and peace initiatives. In many letters, a parallel is drawn between the events of seventy years ago and the present day. A. Babalola, a hall supervisor, Nigeria: "The Decree on Peace was proclaimed to save civilization from the vicious circle of war." As far as the events of the recent past are concerned, he singles out the Gorbachev-Reagan Reykjavik talks of 1986: "When the leaders of the U.S.S.R. and the U.S.A. met in Reykjavik the road to an agreement on a world without nuclear arms seemed just one step away. But the SDI chimera proved to mean more to Washington than genuine universal security. Time is running short, but the President is in no hurry." Nevertheless, the consensus is, Reykjavik was a breakthrough and became a symbol of hope. It is not for nothing that many of the albums we've got contain a photograph showing the two leaders exchanging a handshake in the capital of Iceland.

"Although I have little time to spare - I am the mother of a large family and do educational work in the Cuban Women's Federation - the wish to visit your country has compelled me to look for the answers to your questions in the vast sea of literature. The colossal efforts the Soviet Union has been making for peace since early after the victory of the October revolution is a hymn to peace, a hymn to life on earth," writes America Soto Pereira of Santa Clara, Cuba.

The International New Times Quiz '87 devoted to the 70th anniversary of the Great October Socialist Revolution is over. It has certainly been of benefit to all the participants: while preparing their answers, they have learned a lot of what was new to them about the world's first socialist country. ■

# Behind the belligerents' lines

**Though the article that follows deals with the world's most explosive area, it examines not so much the hostilities between Iran and Iraq as the causes underlying the conflict and the situation in the belligerent countries.**

DMITRY ZGERSKY

Some years ago, the press called the Iran-Iraq conflict a forgotten war. The troops of both countries were then engaged in fighting for the disputed strip of land along the Shatt al Arab River - with alternating success and considerable loss of life. Now that the theatre of war has spread to the Persian Gulf, news on events in that area has become a regular feature, and the area itself the hottest spot in the world. It is oil that has drawn the attention of the world media to the Persian Gulf and prompted the United States and its Western allies to deploy their warships there.

## Paradoxes of the oil business

It is much easier to assess the situation on the battlefield than in business, where you find the complex interlocking of overt and covert interests, far-reaching schemes and momentary advantages, and sometimes amazing paradoxes. Here is a typical example. On August 11, the tanker Texaco Caribbean hit a mine while leaving the Persian Gulf. The Panamanian-flagged vessel, owned by a U.S. company, was carrying Iranian oil to Norway. All that remained to be discovered was who had laid the mine.

The Persian Gulf states can hardly be glad to have war near their shores. But it is also a fact that the war brings more than destruction in its wake. It means extra profit too. The Economist weekly, published in Britain, once compared the oil market to a thermometer: when the heated Gulf cools down, producers are worried that the price of oil may fall.

It will be shown later how apt this comparison is. What is known for certain is that good business is now being done by tanker owners: freight rates have shot up dramatically because of the risks involved. A tanker with a displacement of 350,000 tons was recently freighted for 16.2 million dollars, as against 6.7 million before the war.

However dangerous the situation may be in the Persian Gulf - the epicentre of the Iran-Iraq war - the price of oil from the region cannot be raised appreciably. Judging from data about the oil resources of the Persian Gulf states, this may seem a paradox. The magazine The Middle East, for instance, cites the following result of a study carried out by British Petroleum: the Persian Gulf states account for 64.3 per cent of the world's proved oil reserves (not counting the liquid fuel resources of the socialist countries). Saudi Arabia alone owns 27 per cent of these reserves. Nevertheless, neither the Persian Gulf states nor the Organization of Petroleum Exporting Countries (OPEC) have a monopoly on oil.

An anomalous situation has arisen. War is being waged in the Persian Gulf. It has reached unprecedented intensity on the Iran-Iraq front. Other states are becoming victims of the war. But business is going on as usual. Considering business today regardless of the Persian Gulf situation, one would be justified in thinking there is no war at all. In this perhaps lies the main paradox. A brief excursion into the recent past will help understand this paradox, and the changes on the oil market.

## Ups and downs

Early in 1973, oil was selling at 3.4 dollars a barrel. The fourth Arab-Israeli war erupted and ended in the last quarter of the same year. In sympathy with the countries that were victims of Israeli aggression the oil-producing Arab countries of the Persian Gulf proposed that OPEC impose an embargo on oil deliveries to the states that backed Israel, especially the U.S. The shortage of fuel immediately led to a rise in prices: within three months they had more than quadrupled. Some Persian Gulf states earned more than 100,000 dollars a second from the export of liquid fuel.

The war of 1973 and the ensuing oil embargo were unpredictable events - otherwise the West would not have been taken unawares. But subsequent events seem to have been logically predictable. Judge for yourselves.

In Western Europe, Japan and the United States, the shortage of fuel stimulated a vigorous quest for alternative sources of energy. While there was almost no demand for pedicars, invented in France and reaching speeds of up to 40 km an hour by muscular effort, cars with economical engines sold briskly. In Japan, solar batteries would be bought, like paper, in the form of sheets and rolls. Large complexes of wind generators of electric power sprang up in the United States. The proportion of atomic and hydropower plants in the generation of electricity rose. Queues at petrol pumps began to dwindle.

In 1982, light Arabian oil, regarded as standard, was selling at 34 dollars a barrel. At the same time, the OPEC countries were curtailing its output. In 1979, the daily output of these countries was 31 million barrels, and in 1982 it fell to 19.6 million barrels: an obvious indication of shrinking demand and the desire to keep prices at the highest possible level.

It was predictable that high prices should stimulate oil prospecting and production in countries outside OPEC. Indeed, Britain and Norway (in the North Sea), Mexico, Canada and a number of other countries stepped up the exploitation of their oil fields. The OPEC's share of the oil market fell. In 1980, this organization accounted for 57 per cent of oil

deliveries to the capitalist world, whereas in 1985 its share dropped to 40 per cent. The slump was relative simply because other countries had outstripped OPEC in the rates of growth.

The data made public by the Commission of the European Communities show that in 1986 oil output went up by 5.6 per cent on the 1985 volume, with the biggest increase - 25 per cent - registered in the Middle Eastern countries. In the meantime, the world's consumption of liquid fuel rose by a mere 3 per cent. The market was evidently saturated.

This was followed by a sharp drop in oil prices - to less than 9 dollars a barrel last year. In the OPEC countries this fall was seen as disastrous. It was a serious warning to the oil exporters who agreed in December 1986 to reduce their oil output again - to a total of 15.8 million barrels a day, and to fix a new price - 18 dollars a barrel.

## In the current year

In 1973, when war broke out between the Arab countries and Israel, Arab unity was spontaneous. Quarrels between individual states were immediately forgotten, and they sided with Egypt against the aggressor. In those days the introduction of an embargo and higher oil prices was prompted by idealizing, not by considerations of profit.

Today business is not influenced by the war. This is the case, I think, because the war is being fought between two Moslem states, and not against an external force with which Iran would grapple jointly with the Arabs.

The former unity has given way to mercantile considerations and narrow national interests. The price - 18 dollars a barrel, seems realistic, as it guarantees sufficient profits and does not frighten the customer away.

But the total output level of 15.8 million barrels a day has not been observed. In May of this year, five million barrels of oil were exported daily by Arab countries in the Persian Gulf through the Strait of Hormuz. By August the figure had risen to 7.4 million. The June meeting of OPEC in Vienna decided to raise the output quota to 16.6 million barrels a day. However, this level had already been exceeded in August, when 19.7 million barrels of oil were exported daily.

The unending Iran-Iraq war remains a constant disorganizing factor in OPEC policy. It is reported that, for the sake of a quick profit, Iran often sells oil at a high discount, simultaneously expanding output in excess of its quota.

For its part, Iraq declares it will not accept any quota lower than the quota set for Iran. Since the two belligerents do not observe the agreements reached by OPEC, it is hard to expect that they will also be observed by member countries facing urgent financial and economic problems. As a result, the saturation of the market continues.

Where does the "superfluous" oil go? Since the 1973 squeeze, it has been a tradition to accumulate liquid fuel reserves for the winter, when fuel consumption increases, especially in the northern countries. A sharp aggravation of the situation in the Persian Gulf this year has intensified the fears of consumers that the Strait of Hormuz may be closed because of the war.

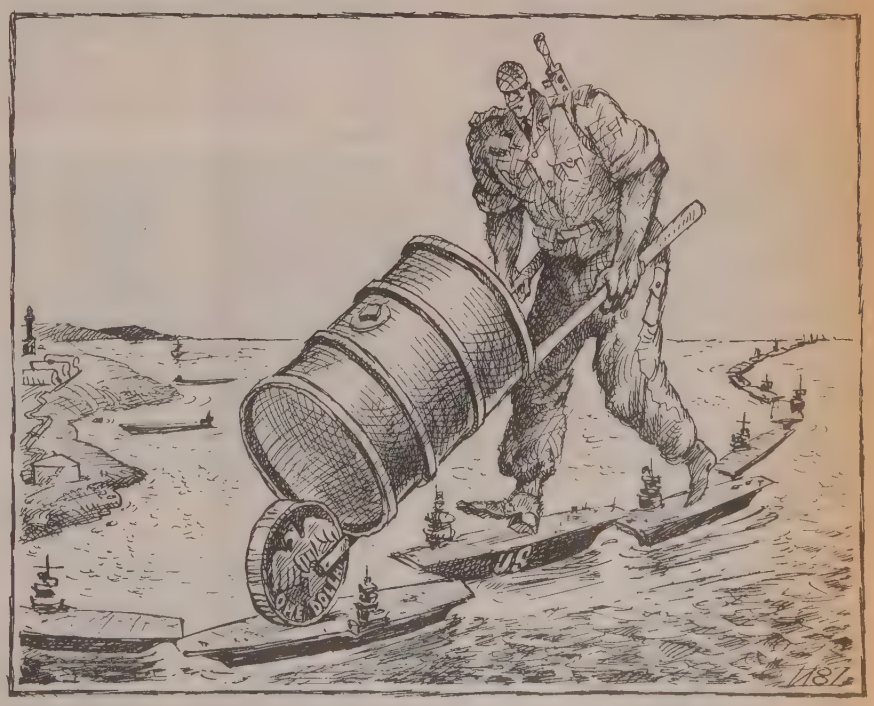
The Financial Times, published in Britain, said late in October that buyers of raw materials had created large stores of fuel quite sufficient to last them till next spring, and in spring the demand for fuel is bound to fall. In the situation that has arisen, Western consumers will be able to dictate their prices to the oil-producing countries.

The United States is called the world's biggest oil consumer. When the "tanker war" began in the Persian Gulf, Washington took the opportunity to increase the American military presence in the region to an unprecedented level. It might have seemed to people ignorant of the situation that the United States had decided to protect its oil interests in this way. The point is, however, that only six per cent of the oil imported by the United States comes from the Persian Gulf. It can be supposed therefore that Washington's latest actions have been motivated primarily by strategic and political interests.

U.S. strategists have long been planning to gain a foothold in the Persian Gulf region, and create one more base near the southern borders of the Soviet Union. Moreover, following the Irangate scandal, Washington has been trying to enhance its political reputation among the Arab states by taking a stand against Iran and even using armed force against it. True, the embargo on the purchase of Iranian oil, announced recently by Washington, is regarded by many news analysts in the West as a purely symbolic gesture, as a considerable proportion of Iranian fuel comes to the United States via other countries.

There is one further reason for the U.S. desire to preserve its military presence in the Persian Gulf for as long as possible, even by maintaining the heat of the Iran-Iraq conflict. The United States' oil reserves are being exhausted. Occidental Petroleum's president, Armand Hammer, said early this year that the U.S. oil reserves would be sufficient only for the next seven years. We are not in a position to judge how true this prominent U.S. businessman's prediction is. As for the Persian Gulf states, their oil reserves are virtually inexhaustible and oil production in them is cheaper than in other countrries. For instance, Saudi Arabia's oil reserves are large enough for them to be exploited for more than 100 years at the present level of output.

Thus, in the longer term, the United States will have considerably to increase its import of oil from that region. Does this not explain Washington's stubborn resistance to the idea of replacing the




Drawing by I.Smirnov

American naval force in the Gulf with a U.N. force? In this way the United States is hindering the implementation of Security Council Resolution 598 on measures to normalize the situation in the Persian Gulf, though its representative has put his signature to it.

What is the situation on the home front in the belligerent states - Iran and Iraq?

## Accustomed to the war

The oil factor is also playing a decisive role in the domestic affairs of both countries. The implementation of many development projects has been suspended because of the war. But oil production is booming. Though oil output is steadily increasing, living standards are not rising. The lion's share of oil export earnings is consumed by the war. The people are being compelled to adapt to adversity in the hope that it will disappear as soon as the enemy is defeated.

In the outskirts of Teheran people put up photographs of their relatives killed in action on the walls of houses. The quantity of photographs is indicative of the situation on the Iran-Iraq front. So many pictures are posted sometimes that municipal workers clear the walls of them. Displays of this kind have a bad effect on the morale of future soldiers, especially teenagers who are also sent to the front line. Perhaps they do not undermine just the determination of future suicides who are being trained to hit enemy ships on boats stuffed with explosives. The enemy is the United States, whose warships have already attacked several Iranian installations in the Gulf. At the end of October, the Minister of the Interior called for a general mobilization in connection with a possible full-scale war against the United States. Naval exercises codenamed Martyrdom were recently held in the southern part of the Persian Gulf.

In all other spheres of life, it is reported from Teheran, life is taking its normal course. The former Moslem austerity has been somewhat tempered. Women in European dress now feel more secure in the streets. Cinemas, where mainly old films are shown, usually have a full house. Television shows more than just readings of the Koran. Everywhere order is maintained by Guardians of the Islamic Revolution, the chief military force in present-day Iran, comprising 350,000 men, or three and a half times more than the regular army.

Since the suppression of left-wing opposition and the execution of progressives, resistance to the regime is offered mainly by the underground organization Mojaheddin-e-Khalq, which intermittently carries out guerrilla operations, and by the Kurdish rebels in the northwestern part of the country.

**Iran: a suicide-soldier kisses the Koran.**
Photo from Stern magazine (F.R.G.)

**Iraq: demonstrators carrying portraits of their relatives killed in action demand an end to the war.**
AFP-TASS photo

While Iraq is helped by other Arab countries, Iran has no such assistance. At the same time, Ayatollah Khomeini has a considerable following in the Arab world, especially in Lebanon. There are active pro-Iranian groups there, including extremist groups responsible for the capture of many hostages.

Similar groups are operating illegally in Egypt. In the summer of this year, Iranians tried to launch their propaganda campaign during the pilgrimage to Mecca in Saudi Arabia. The 87-year-old Ayatollah Khomeini had declared that Islam knows no distinction between religion and politics. But Saudi Arabia does not think so, and it did not allow pilgrims to make the holy city of Islam a scene of political gatherings. More than 400 people were killed in a bloody clash, including members of the Saudi security force, and Iranians carrying portraits of Ayatollah Khomeini.

While in Iran portraits of the austere religious leader hang in every possible place, in Iraq one sees everywhere portraits of the smiling President Saddam Hussain. The Iraqi army is roughly a third of the strength of the armed forces of Iran. Iraq does not practise suicidal operations of the "human wave" type, when soldiers blow up mine fields with their feet in order to get into paradise, as religious leaders tell them. Judging from articles published in Iraqi newspapers, the country is pinning its main hopes on the military talents of President Hussain. The small Iraqi trade union magazine received by our editorial office carries from issue to issue up to 50 photographs of the President, often almost identical.

Iraq has fewer problems in exporting oil, as it has pipelines laid through its territory, and is also assisted by Saudi Arabia and Kuwait in this respect. Students are not being drafted into the army. Only the ruins of buildings hit by artillery or rocket fire, the black strips of cloth with the names of relatives killed in action (hanging near houses) and, of course, cripples in the streets remind people of the war.

Cripples are not returning from the Iranian front alone. The Iraqi army is also waging a war against Kurdish rebels in the north. The three million-odd Kurds have long been demanding autonomy or self-determination. The rich Kirkuk oil fields are situated in exactly the area where the most intensive operations against the Kurds have been mounted. The two pipelines connecting these fields with the Mediterranean through Turkey now handle two thirds of Iraq's export of liquid fuel.

The surviving activists of the Communist Party of Iraq, which suffered persecutions, have also fled to the Kurds in the north. The laws in Iraq have become more severe in war time conditions. The opposition is officially permitted, but it must not dispute government policy; if it does, members of the opposition can be physically liquidated.

Even a cursory look at the situation in Iran and Iraq shows that both countries have sufficient resources for the continuation of the war - material, not manpower. Both countries regard their war as a "holy" one. The soldiers are being told that they are fighting for a noble cause and that the souls of people killed in battle go straight to paradise. But the Koran does not consider the killing of Moslems by Moslems a cause pleasing to Allah.

Now that the more than seven-year war has burst the confines of the narrow disputed strip along the Shatt al Arab River and involved forces inimical to the interests of both countries, it is evident as never before that the war is hopeless and unending. To end it there is no alternative but peace negotiations. ■

# Businesslike policy or anti-business policy?

## BUSINESSMAN'S VIEW

# "We need trade with the U.S.S.R., especially now"

Athenaeum Hotel in Chautauqua, N.Y., an elegant three-storey wooden building fronted by tall columns, was one of the first hotels in the world to have electric light. On the eve of the Third General Chautauqua Conference on U.S.-Soviet Relations held in this small town, the Athenaeum had moved from the electricity age to the electronic age, as witnessed by the computer installed at the old-fashioned reception desk. It was here that the following interview with the American businessman Mikhail Nite took place.

Mr Nite's visiting card introduces him as the President of Inter-Global Associates, Global consultative group on East-West trade and economic relations, Wall Street, New York. His firm specializes in assessing the advantages of trade with the U.S.S.R. and arranges round-table meetings on this subject of American businessmen with the participation of Soviet representatives. Expansion of trade between Western countries and the Soviet Union is often advocated by Inter-Global spokesmen at international economic conferences as well.

**New Times:** What bearing, in your opinion, do meetings like this one in Chautauqua have on the promotion of East-West trade?

**Mikhail Nite:** A very obvious one. After all, it is very important that ordinary Americans should have a true picture about the Soviets. So far many people in our country are opposed to trade ties with your country because they see it as an enemy and hence conclude that the export of American goods would only "strengthen its might." In my opinion this is an extremely naive and absurd attitude which has its roots in the cold-war period Therefore conferences such as this in Chautauqua are extremely useful. They can give a spur to the development of bilateral relations. And this will have an effect also on the development of trade ties between our two countries. Incidentally, the U.S. economy is suffering at present from a huge trade deficit and Americans are looking for markets. On the other hand, the U.S.S.R. is now, under the new leadership, vigorously moving ahead along the road of economic reform.

**N.T.:** In what areas do you see the biggest prospects for the development of economic ties?

**M.N.:** The American companies that have consulted me, MacDonald's for instance, are persistently searching for avenues to mutually advantageous cooperation. Many are interested in setting up mixed enterprises with Soviet firms. These could play a major role in strengthening contacts not only between leading officials but between ordinary people as well. We in the West are closely following the progress of cooperative enterprises in your country, especially in the service sphere. I believe this is a very promising area. We also follow with keen interest the realization of Mikhail Gorbachev's policy of decentralization, as applied among other things to foreign trade.

I believe that there are good prospects for trade directly with the Union Republics of the U.S.S.R. Last year, for example, I visited an international trade fair in Zagreb, Yugoslavia, where an Estonian exposition drew my attention. It included some extremely interesting products. Talking with the director of the exposition, I mentioned that it would be a good thing if direct ties could be established between New York business circles and this Soviet republic. I am convinced that goods produced in Estonia would find a market here. As far as I could see, my idea was favourably received at the time.

**N.T.:** Are there any signs of definite movement in this direction?

**M.N.:** Unfortunately, so far things are moving very, very slowly. There is of course another way to promote trade with the Soviet Union. Amtorg, one of your oldest business firms, has been in existence in New York for over sixty years. It represents the interests of Soviet foreign trade organizations, and as far as I know is doing well. It has concluded some highly important deals running into the millions of dollars. It is in a position to boost the sales of Soviet goods on the vast American market.

**N.T.:** That is the traditional way: Another way, then, is through direct contacts?

**M.N.:** Yes, with ministries and enterpri-

**A New York street scene.**

Photo by V. Ahlomov

ses. Decentralization gives your big enterprises direct access to markets.

**N.T.:** Has any headway been made in this sphere? You mention MacDonald's.

**M.N.:** That firm would like to open its restaurants in your country where it would sell its famous hamburger sandwiches. We give this firm consultation on trade with the U.S.S.R. There are also the big partners of long-standing like PepsiCo. But it seems to me that today an effort must be made to develop business ties with our small and medium-bracket companies. This could yield notable results. I happen to know that a Soviet-Indian cooperative restaurant has been opened in Moscow's Krasnaya Presnya Street and is doing well. Why not open a Soviet-American cooperative restaurant or café?

American firms have recently held two trade exhibitions in the U.S.S.R. - the food and building industries. An indication of the interest in trade with the U.S.S.R. were the conferences that have taken place in a number of U.S. cities during the past two years. One of them on the problems and obstacles of Soviet-American trade relations, was held at Harvard University. It was attended by businessmen as well as college students, and was addressed, among others, by representatives of the U.S.S.R. Ministry of Foreign Trade. Nevertheless I must say that the volume of U.S. trade with the U.S.S.R. is negligible compared with our trade with other countries.

**N.T.:** Who is to blame?

**M.N.:** That's a good question. But it is not a simple one. Who is to blame? Both sides, most likely. Both sides advance conditions, political conditions.

**N.T.:** I do not recall a single instance of our having advanced political conditions in the matter of trade. When has the Soviet side ever failed to honour an agreement to sell something, be it new technology, raw material, or caviar, simply because it did not like the policy of the U.S. administration?

**M.N.:** I do not recall any such instance.

**N.T.:** Or has the U.S.S.R. ever refused to buy grain, for instance, from America for the same reason?

**M.N.:** As a matter of fact, the grain purchases have presented some problems. Like other countries, you prefer to buy where the prices are lowest. But as a businessman I would like to leave politics aside.

**N.T.:** Then let us return to the topics you prefer.

**M.N.:** Let me say that my firm has made its contribution to strengthening our commercial relations. For instance, Inter-Global sponsored a round table of businessmen with the object of expanding Soviet-American business contacts. Such meetings are highly important because for very many of our businessmen trade with the U.S.S.R. means only selling grain. We tell them that American trade with the Soviet Union is clearly inadequate and that there are possibilities for expanding it on mutually advantageous terms. The U.S.S.R., we tell them, is an industrial power which trades on the world market to the tune of about 170 billion dollars a year. American business cannot ignore your market.

**N.T.:** Because of purely economic considerations or because of the connection between the development of business contacts and the improvement of the political climate?

**M.N.:** Businessmen are in a sense diplomats; they help to improve relations between countries. Theirs is a diplomacy of peace. For the closer economic ties are, the greater the interest of countries in maintaining normal political relations.

Not long ago, for instance, the U.S.S.R. sold a Florida firm, for three million dollars, the licence for the manufacture of special equipment for ophthalmological operations after the Fyodorov method. American doctors will master his method as well. This is only a fresh example of the prospects that exist for business cooperation.

**N.T.:** Maybe this will help Americans to see things more clearly, to realize that business transactions with the U.S.S.R. are not fraught with any threats.

**M.N.:** Quite possible. Another relevant example is the Chernobyl tragedy. American doctors, primarily Dr Gale, rushed to the U.S.S.R. to alleviate the sufferings of the victims of the accident. This showed many Americans there are among them generous people capable of self-sacrifice, people ready to help men and women of other nations. The Soviet Union not only accepted that help but showed its gratitude. All this brings people closer together.

I know that there are very many Americans in various parts of our country who want to live in peace with the Soviet Union. Others do not realize how essential that is. After all, for more than 40 years the mass media have been mispresenting and magnifying the problems encountered by the Soviet Union. But every country, every city, every family has its problems. And I greatly doubt that exaggeration of these problems, as happened in the case of the Chernobyl situation, improves the prospects of living in peace and concord. I hope that U.S. businessmen will become more frequent visitors to Moscow. I should like to tell every American man of business: if you want to trade with the Soviet Union, especially now when that country has a leader like Mikhail Gorbachev, try to find ways to engage in this highly advantageous commerce.

**N.T.:** That is what you say to those who want to do business with us. But there are those who do not want to. What would you say to them?

**M.N.:** Those who do not want to trade usually have nothing to trade with.

**N.T.:** But there are probably also those who are unwilling to form economic ties with the U.S.S.R. because it is "an empire of evil" or something of that sort....

**M.N.:** What I say to them is: we must study the country properly, get to know its people and their culture. In my opinion those who do not want to do this, who approach your country with cold-war yardsticks, have to do some rethinking. You ought to go to Moscow, I tell them. Not as tourists, but as businessmen. Then you will see for yourselves that trade with the Soviet Union is worthwhile. Many of our business people simply know nothing at all about trade with the Soviet Union, its advantages and its shortcomings. But when the American businessman gets a clearer idea of all this his attitude changes.

I once met a man who had never been to Moscow, had never done business with the U.S.S.R. but who was interested in doing so and wanted to know what kind of a country it was and what sort of people lived there. I asked him why he wanted to trade with the U.S.S.R. Were there no other countries, other partners, to deal with? At the present time, he said, Soviet-American relations play a big role on the world scene. For us Americans it is very important to live in peace and I am sure that is just as important for Soviet people.

* * *

In warm weather many Americans wear T-shirts on the street with various messages, jocular and otherwise, emblazoned on the front. In New York many T-shirts proclaim the owner's love for that city. The message on some T-shirts I saw in New York expressed the wearer's political sentiments. I confess it was pleasant to see the "U.S.S.R." in Russian letters several times in this T-shirt parade. One big Washington department store sells T-shirts with portraits of Lenin and Gorbachev. The shirt-makers are quick to profit by the growing interest in our country. But businessmen like Mikhail Nite understand that interest in the Soviet Union should be encouraged in every way, for the strengthening of commercial contacts with the U.S.S.R. is good for business. And not only for business.

**VLADIMIR ZHITOMIRSKY**
**our special correspondent**
New York - Washington - Moscow

# If switched on, it must stay on

It so happened that the opinions of Mikhail Nite on the development of business ties between the U.S.S.R. and the U.S.A. came to my knowledge just at the time when the Western news media were broadcasting news of an entirely different order. The Pentagon, they reported, was insisting on tightening sanctions against Western companies that violated the ban on the sale of new technology to socialist countries. It demanded that America's NATO allies and Japan "harmonize" their regulations governing the issue of export licences to Western firms as well as the penalties for breaches of these regulations, and that those who violate the rules be entered at once in "international black lists" and automatically deprived of the right to obtain such licences in any country belonging to Coordinating Committee for control of strategic exports to communist countries.

Incidentally, the coincidence was not a chance one. Whenever a thaw appears in Soviet-American relations and U.S. business circles evince a heightened interest in trade with the U.S.S.R. the entire hawk tribe exerts every effort to stop both the one and the other. So it was in the 1920s when Amtorg began selling goods from Soviet Russia on the American market. So it was in the 1930s when the U.S.S.R. was a major trade partner of the U.S.A. (In 1931, for example, our country imported about 40 per cent of all the machinery and equipment exported by the U.S., and American firms took part in the construction of the Magnitogorsk and Novokuznetsk iron and steel works, the Stalingrad and Kharkov tractor plants, and the Gorky automobile plant.) Soviet-American trade was switched on and later switched off again in the 1970s. The "electrical" terminology is not mine: it is borrowed from an article by George Shultz, then president of the California Bechtel corporation, published in the journal Business Week in May 1979.

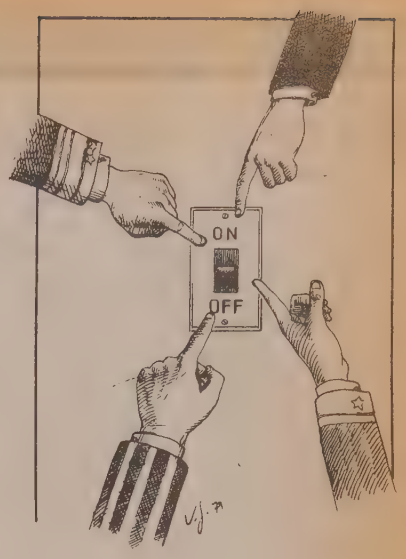
In that article he expressed the concern felt by American business circles about the Washington diplomats allowing political considerations to outweigh the commercial. Businessman Shultz wrote: "We can predict, even observe, that light-switch diplomacy as it is used more and more becomes a wasting asset. Increasingly, when the diplomat flicks the switch, the light will not go on. It will not go on because private firms cannot afford the cost, cannot make the investments, to create bargaining chips and then have the bargaining chips used. And self-respecting, trading partners will not put up with it." And he advised the U.S. government to avoid actions which could undermine the ability of American companies to be reliable suppliers.

As we now know, the predictions made by Shultz the businessman have materialized, but even Shultz the diplomat has proven unable to follow his own advice. The foreign policy of the Reagan administration in the eighties has to all intents and purposes "switched off" Soviet-American trade as a means of building confidence between the two countries and expanding commercial exchange. With the result that American companies have become for their Soviet opposite numbers the most unreliable partners. And they will continue to be such so long as the Pentagon persists in raising barriers to economic ties between East and West in the most promising areas - trade in machinery and equipment, cooperation in production on the basis of new technology, and in scientific and technological cooperation.

There are of course branches for which the "light has not been switched off" - agriculture, the food industry, medicine, construction (incidentally, the Pentagon did try to prevent the holding of the American construction exhibition in Moscow), the service sphere, specifically the restaurant business (which has been latterly developing so rapidly in the U.S. that some economists have begun to speak of the "MacDonaldization of America").

It might perhaps be a good thing to open MacDonald quick-lunch counters in Moscow and other Soviet cities, as Mr Nite suggests. I am sure they would be no less popular with the public than the pizzerias and the Indian restaurants that have latterly appeared here. But only if they offered a wider variety of fare, because the problem of obtaining a tasty inexpensive meal will hopefully be solved here in the next few years by increasing the number of cooperative eating places offering the Russian cuisine. As I have had occasion to observe, Americans like Russian food, and so Russian restaurants might well become one of our exports to the U.S.A. So far we lack the marketing expertise needed for this, and in the course of perestroika of external economic activity it would not be amiss to draw on American business experience.

So far, however, all this - like Mr Nite's wishes - is a matter of future prospects,




**That is how Business Week illustrated George Shultz article.**

inasmuch as substantial expansion of commercial exchanges between the U.S.A. and the U.S.S.R. will be possible only after relations in the sphere of trade policy are normalized. But, as distinct from agreement on the reduction of nuclear armaments based on mutual compromise, trade policy relations depend exclusively on Washington.

A programme for the normalization of Soviet-American trade was put forward by another American businessman, William Miller, president of Infotrade International, in an article published in New Times in March 1986. "To that end, the United States must be prepared to initiate corrective measures, including adoption of realistic export controls.... Export control laws must be amended to guarantee that export licences, once granted for a given project or sale, will not be invalidated except for clearly defined and compelling reasons of national security. In seeking expanded access to Soviet markets, we must be prepared to extend reciprocal trade privileges to Soviet products.... We should...modify U.S. law (the trade act of 1974, which included the Jackson-Vanik amendment discriminating against the U.S.S.R. - **F.G.**) to give the President authority to resume MFN relations and Export-Import Bank credits with the Soviet Union," Mr Miller wrote.

This is a minimum programme. Minimum because it presupposes retaining the bans imposed on national security grounds on the supply to the Soviet Union of new technology. But if the diplomats and political leaders of both countries ensure that security, export controls will no longer be needed. And then Soviet-American business can be properly "switched on." And in general, if they are switched on again, it must be for good.

**FELIX GORYUNOV**

# Pure gold

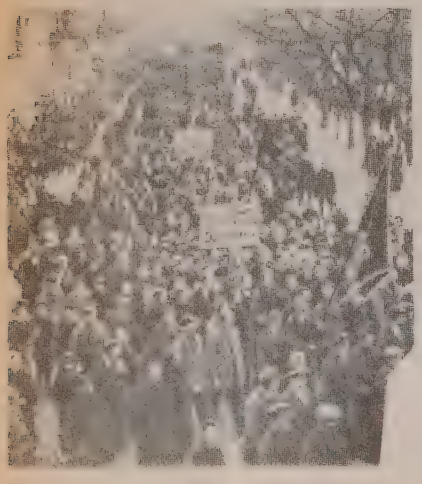
In the hot summer of 1918 the Red Warsaw Regiment was formed in Moscow where revolutionary passions were running high. Early in August Lenin addressed the Polish Uhlans who were going to the front to defend Soviet Russia and, therefore, to defend their own, still oppressed, people. "This war alone," he told them, "the war of the oppressed and exploited against the violators and plunderers, is legitimate, just and sacred." He said that revolutionaries of various nations were joining together into a union the best minds could only dream of; and that "overcoming national hatred and mistrust" was an earnest of the victory of the revolution.

The Russian and Polish ruling classes had been implacably opposed for centuries. "Kings and tsars set Pole against Russian, and Russian against Pole," Mikhail Gorbachev pointed out at a meeting with Warsaw workers in July 1986. "Wars, violence and seizures affected people's mentality and gave rise to mutual ill will."

At the end of the 18th century, tsarist Russia, along with the Austrian and Prussian monarchies, took advantage of the weakening of the Polish state, torn asunder by internal strife, and forcibly divided Poland amongst themselves.

Since then, several generations of Poles have waged an incessant struggle to restore their country's independence. They had the sympathy and support of Russian revolutionary democrats, who were determined to overthrow tsardom - the jailer of all the nations of the Russian Empire. They welcomed Tadeusz Kosciuszko's slogan, "For your freedom and ours!" Lenin repeated on many occasions, following Marx and Engels: "No nation can be free if it oppresses other nations."

May Day demonstration in Plock. 1919.



Notably, it was in Poland that the Central Committee of the Russian Social-Democratic Labour Party reaffirmed, at its Poronino Conference in October 1913, the Party's main slogan on the nationalities question: the nations' right to self-determination, i.e., to independence and the formation of a sovereign state. The October Revolution made this slogan a reality.

The Declaration of Rights of the Peoples of Russia - one of the first documents of Soviet power - guaranteed all oppressed nations the right to self-determination, right up to secession and the formation of their own states. The Decree of the Council of People's Commissars signed by Lenin in August 1918, nullified all pacts and agreements of the tsarist government with Germany and Austria-Hungary on the partition of Poland, recognized the Polish people's inalienable right to self-determination, and provided the international legal groundwork for the restoration of an independent and united Polish state.

"Of all the parties in Russia today, it is only Lenin's that stands firmly and sincerely, without reservations, for Poland's independence," wrote the Cracow paper Naprzod in November 1917. The participation of 200,000 Poles in the struggle for the victory of the October Revolution was the Polish revolutionaries' worthy answer to this firm and sincere position of the Bolsheviks.

A wave of revolutionary struggles for liberation rose inside Poland itself. Workers disarmed German and Austrian soldiers and formed Red Guard units. White-and-red Polish national flags and red banners of the revolution fluttered in the wind of history over Warsaw, Lublin and Lodz. Soviets of workers', peasants' and soldiers' deputies were set up in many cities.

On November 11, 1918, Poland was given its independence. However, power was seized by the propertied classes. "After 123 years of being deprived of its national independence," Wojciech Jaruzelski wrote, "the question of national identity became uppermost in the Poles' minds when faced with the need to build an integrated state, and nationalistic forces hostile to the revolution took advantage of that."

The revived Polish state was formed in 1921 as a parliamentary bourgeois republic with a fairly wide range of democratic freedoms. After the May 1926 coup carried out by Pilsudski, these freedoms were gradually curtailed, and an authoritarian system of government began to emerge in the country.

Immediately after the restoration of independence, bourgeois Poland's ruling quarters, especially those close to Pilsudski, made expansionist claims to the Soviet Union. Speculating on the Poles' national feelings, they took up the cudgel, since as early as 1918, for the Polish landowners who were lording it over Ukrainian and Byelorussian peasants.

Lenin was aware of that. In a report to the Eighth Congress of the Russian Communist Party (Bolsheviks) he repeatedly pointed out: "We must recognize the self-determination of the Polish nation now."

Lenin explained the comlexity of the moment: "The workers are being intimidated by statements to the effect that ...the Great-Russians, who had always oppressed the Poles, want to carry their Great-Russian chauvinism into Poland in the guise of Communism."

Lenin's internationalism remained unshakable in the period of the "Polish war" against the young Soviet state,

**What makes it necessary to change the system of price formation and exchange rates?**

In our national economy, as in that of most of the socialist countries, changes in prices had their own momentum, one that did not coincide with the trends on the world market. We have now started to improve our economic mechanism, and one feature of the overall changes will be the introduction as of January 1989 of a new system of wholesale and state purchasing prices. The purpose of the reform is to ensure that prices reflect real expenditure and are subject to adjustments annually - they will then encourage enterprises to improve the quality of their output and production efficiency. If our retail prices are brought more into line with prices on the world market, it will create favourable conditions for the use of real cost indices in our economic activities.

A reform of the pricing system is also important for Czechoslovakia's economy in view of the fact that one third of our national income is derived from external markets. That is why, simultaneously with the price reform, it is proposed to set up a flexible single system of exchange rates that meet the new requirements.

**Why can't that be done under the existing system of exchange rates?**

The official rate of exchange for the koruna was established in 1953 when its gold content and its relations to other currencies were fixed. Since then the exchange rate has not changed. But the situation has changed substantially over those 35 years. The exchange rate of a country's currency against the currencies of other countries does not depend solely

unleashed by anti-Soviet forces, when Pilsudski's troops captured Kiev and the Red Army had to retaliate by marching on Warsaw. In May 1920 Lenin sent a note to the Secretariat of the Central Committee of the Russian Communist Party (Bolsheviks) suggesting that newspaper editors be instructed not to "overdo it, i.e., not to descend to chauvinism, always draw a line between the Polish landowners and capitalists and the Polish workers and peasants."

Much water has since flown under the bridges of the Volga and the Vistula. Both sides have made quite a few mistakes which came from mistrust and suspicion. We have not always followed Lenin's instructions and behests in our dealings with Poland. Blinded by anti-communism, the rulers of prewar Poland committed the tragic error of rejecting the U.S.S.R.'s offer to form an anti-Hitler defence alliance.

In September 1939, Poland fell the first victim fo nazi aggression and terror. In October 1943, when the Kosciuszko First Polish Division was formed near Ryazan, Russia, and set off westward shoulder to shoulder with the Soviet Army to free Poland from captivity, the motto "For your freedom and ours" acquired new meaning. In the crucible of the bloodiest war ever, relations between the two countries were completely reforged." The cinders of old troubles and resentments burned out, leaving behind the pure gold of confidence. There were countless examples of Soviet partisans and fugitive POWs being sheltered by Poles who saved their lives, often sacrificing their own. And there were also countless examples of Soviet soldiers giving their lives to save their Polish brothers-in-arms in battle.

This unity born in a time of mortal danger, in the struggle against a common enemy, was further consolidated in the years of socialist construction and all-round cooperation between the U.S.S.R. and the Polish People's Republic. Today our life is inconceivable without it.

On July 22, 1944, Poland was reborn again. In its Manifesto, the Polish Committee for National Liberation announced for all the world to hear that a new, people's Poland had come into being and that it had chosen socialism as its goal. The Polish people have been celebrating this date annually for the past 43 years as their most important national holiday.

The Patriotic Movement for National Rebirth uniting the Polish United Workers' Party, the allied parties and other public organizations, has made a practice latterly of conducting meetings devoted to the restoration of the country's independence in 1918 every November 11. Speaking at such a meeting in Warsaw a few days ago, Professor Jarema Macieszewski, Rector of the PUWP Academy of Social Sciences, said in part: "The main and decisive factors of Poland's rebirth were not only the military defeat of tsarist Russia, or even the fall of tsarism, but the victory of the Great October Socialist Revolution...."

It can happen that mutual sympathies and friendly feelings between nations do not manifest themselves and remain "frozen" for years, waiting for the spring sun and the truth to shine through and clear the air. This is what has finally happened in Soviet-Polish relations.

**VICTOR LYUBOVTSEV**

## CZECHOSLOVAKIA

# Money reform

**The draft of a reform affecting price formation and the introduction of single exchange rates is now being widely discussed in Czechoslovakia. New Times asked JIRI VETROVSKY, who heads the CMEA and foreign economic relations department at the Ministry of Finances of Czechoslovakia, to explain it.**

on its gold content, but on a whole range of other changing economic factors - from the level of prices to a country's balance of payments and so on. In order to take these changes into account, a special adjustment coefficient was introduced which entered into force in 1967. So at present we have what can be called a two-component exchange rate. For instance, the official rate of exchange with the dollar is now 5 korunas 50 hellers, while the adjustment coefficient stands at 2.5. By multiplying the exchange rate by the coefficient, you obtain a more or less realistic figure: one dollar is worth 13 korunas and 75 hellers. As you will have noticed, the two-component system is both clumsy and difficult to grasp. As from January 1989, the State Bank of Czechoslovakia will fix a realistic relationship between currencies, with a single rate of exchange between the dollar and the koruna. Rates will also be set for all other foreign currencies.

**And will these exchange rates be valid in all foreign trade operations?**

No. Since the correlation of wholesale and retail prices inside Czechoslovakia does not correspond to the proportions on the world market, there will be two rates - for trade and non-trade operations. Foreign trade will be conducted on the basis of wholesale prices, while non-trade operations (primarily tourism), on the correlation with retail prices. Incidentally, such a so-called tourist rate already operates in our financial relations with the socialist countries. For example, the exchange rate for a ruble is 10 korunas.

**How will the new system of exchange rates affect the economy and the work of factories?**

As I mentioned, it is one component of the comprehensive reform in economic management. Important changes will also take place in the financial sphere: besides the price reform, it is proposed to change the taxation system for enterprises, including the regulation of their convertible currency incomes. Enterprises will operate strictly on the principle of self-financing.

Economic organizations involved in foreign trade will have the right to retain a proportion of the convertible currency they've earned to meet their import requirements. We believe this will spur them on, on the one hand, to increase exports, and, on the other, to modernize production, raise technical standards and improve the quality of their output.

**Will the reform of exchange rates affect the development of integration within the framework of the CMEA?**

One of the main motives prompting us to switch to single exchange rates is that without such a change it is almost impossible to arrange direct cooperation between enterprises in the CMEA countries. The 43rd extraordinary CMEA session held in Moscow recently extensively discussed problems of cooperation at the micro-economic level. Practically all the participants recognized that without changes in the currency and financial spheres, integration cannot be intensified. Seven countries reached agreement on encouraging industrial cooperation and direct production ties on the basis of payments in national currencies. Czechoslovakia was one of the seven.

Agreement was also reached at the CMEA conference on the convertibility of national currencies and the transferable ruble. This is a qualitatively new feature of cooperation between the CMEA countries. The convertibility of the transferable ruble, which is internationally viable, established a direct connection between it and national currencies, in other words between the national economies themselves. The mutual convertibility of the national currencies of the CMEA countries, and the transferable ruble as their collective currency, opens up wide opportunities for setting up direct ties and developing the economic initiative of socialist enterprises.

Interviewer
**MARINA SHAKINA**

DONAU · DUNAJ · DUNA · ДУНАЙ · DUNĂREA · ДУНАВ

FROM THE BLACK SEA TO THE ALPS

# Austria's main artery

From our special correspondent ANATOLY KOVRIGIN

The famous waltz, "The Beautiful Blue Danube," which Johann Strauss wrote almost 120 years ago, has all but become Austria's second national anthem. In that waltz, the great composer brought together the republic's great river and its national spirit. But it is not just in the famous melody that they stand side by side.

## Some statistics

What does the Danube mean for Austria? I sought the answer to that question in reference books, thick volumes on history, geography and economics. They are all extensively represented in the Austrian National Library, housed today in the halls of the ancient Hofburg Palace. From these sources I learned that more than three quarters of the country's territory lies along the Danube, and two thirds of its population live there. Some 70 per cent of its economic potential is concentrated there, and it accounts for 75 per cent of land transport and all river transport.

The entire Austrian stretch of the Danube, which is just under 350 kilometres, is navigable. For more than 9 months in the year rivercraft - both cargo and passenger boats - ply its waters, and traffic is becoming increasingly heavy. Significant in this respect are the 1986 figures for the profits of the Vienna river port - 20.8 million schillings representing a more than fourfold increase over the previous year. Austrian Danube shipping company experts are looking forward to even greater benefits from forthcoming operations on the Rhine-Main-Danube waterway, which are due to start at the beginning of the nineties. But even now, according to estimates, transporting freight along the river comes to only a third of the cost of railway freightage, and a seventh of that of road haulage.

The Danube is not an easy river to navigate; there are numerous gorges, whirlpools, currents and shallows. In the summer months, when the snow on the Alps melts, flooding is frequent. The river waters can rise as much as 8-9 metres, flooding thousands of hectares of farm land as well as towns and villages. On many occasions streets in some districts of Vienna have found themselves under water.

In the autumn and winter months, the water level drops sharply. Then river boats even of small tonnage find navigation difficult. Incidentally, in the first postwar years, the Soviet river fleet resorted to the services of local pilots on the Austrian stretch of the Danube. But for more than two decades our captains have needed no help. They have made a thorough study of the river and are prepared for any surprises, even on the most dangerous sections.

## Memory

The Danube is inseparable from the country's history. To this day numerous medieval castles can be seen standing high on the rocky cliffs above the river, especially in the Wachau valley. They are silent witnesses of the stormy events of past centuries. According to legend, it was in one of the dungeons of Dürnstein Castle that England's Richard the Lion-Heart was confined. And at a short distance from that town, among the vineyards sloping down to the river, stands a monument on which one can read in gold letters the name of Mikhail Kutuzov. It is a reminder of the battle between Russian troops and Napoleon's armies described in such detail by Leo Tolstoy in "War and Peace."

It is not the only monument to Russian soldiers of past centuries. Near Melk, a couple of kilometres from Dürnstein, but on the other bank of the Danube, there is a common grave for soldiers of Suvorov's army surrounded by weeping willows. They fought shoulder to shoulder with Austrian soldiers and were killed in the battles for Europe's liberation from Ottoman rule.

The second world war left deep scars along the banks of the Danube. There are dozens of small obelisks with five-cornered stars and other memorials to Soviet soldiers in many towns and villages. One stands on a high hill near Mauthausen where some 335 thousand prisoners passed through the nazi death camp between 1938 and 1945. One in three met his death in the camp - shot, killed in gas chambers, or as victims of "medical" experiments, hunger or disease. There were thousands of antifascists among the victims, including Austrian patriots, and 32 thousand Soviet citizens. General Dmitri Karbyshev of the Soviet Army was murdered - turned into a statue of ice - in Mauthausen Platz in February 1945. To the very end he refused to bow

For previous instalments see our issues 33, 36, 39, 43.

**A Soviet motorship mooring in Vienna Port.**

his head to the fascist executioners. A monument in white marble has been erected in his memory. At its foot you will always find fresh flowers....

In the spring of 1945, when Soviet troops liberated Vienna and many other parts of Austria, the first fleet of river boats loaded with wheat started their journey from Ismail to Austria. They carried Soviet grain to the war-devastated Alpine republic. Yet at the time bread was strictly rationed in our own country. The older generation in Vienna remembers how the barges, with the emblem unfamiliar at the time - a red and blue pennant with a hammer and sickle - moored at the ruined quays, and how grain, medicine, bags of cement and crates with window glass were unloaded.

## The link

To learn about the role of the Danube in the life of Austria and its people today, I decided to get in touch with an expert. In the four-volume Vienna telephone directory I quickly found the number of Dr Rudolf Teltscher, Secretary-General of the Danube-European Institute. I dialled his number and an appointment was made.

"Our institute," Dr. Teltscher said, "was founded in 1947 from the societies and unions engaged in maintaining ties with the Danube countries, and first and foremost, those that in the past had been part of the Hapsburg Empire. Then it expanded its sphere of activities to take in the entire range of East-West trade and economic relations. This is reflected in the membership of the institute, which includes more than 1,000 leading banks, firms and foreign trade organizations, a third of them foreign, including such mixed Soviet-Austrian companies as the Donau Bank, Garant, Interprom and others."

According to Dr. Teltscher, in recent years the institute has sought to widen the circle of partners. For instance, fairly successful steps have been taken to foster relations with China. But the mainstay still remains cooperation with the Danube countries. There are many reasons for this, but Dr Teltscher singled out especially the traditional aspect, deeply rooted in history.

"Just look back to the days of the Austrian-Hungarian Empire, which included such Danube countries as Hungary, Czechoslovakia, Romania and Yugoslavia. Bulgarians were frequent visitors to Vienna at that time. As for the major role played by Russia and Austria in European affairs in past centuries - that hardly needs mentioning. It is common knowledge. The traditional ties rooted in the past exist to this day, and we Austrians are probably more aware of them - have a greater feeling for them than other West Europeans."

Vienna has truly become a link between the East and the West. This is of course to a great extent due to its geographical position and the ramified network of its transport ties with neighbouring East European countries. It's only an hour's drive to Bratislava, and three hours by car to Prague and Budapest. And you can get to Moscow by plane in just over two hours, with regular daily flights. To this one should add the Austrians' experience of maintaining ties with the socialist countries and the existence of experts, many of them with a knowledge of the different languages.

"Munich tried to compete with us in this respect," Doctor Teltscher said with a smile, "but the Bavarian capital did not make it."

The most important stimulus towards enhancing Vienna's role in the East-West dialogue was the State Treaty Reestablioshing an Independent and Democratic Austria, which was followed by the adoption of the Status of Permanent Neutrality.

"Austria," the Secretary-General noted in conclusion, "is a small country. A realistic assessment of its potential reveals that it can hardly be allowed to exercise a perceptible influence on the policy of the great powers. But that by no means signifies that the Austrians should sit back and do nothing. Rivers, including such major ones as the Danube, take their beginning from small streams. When joined by their tributaries they become a powerful force. In the same way the voices of the small countries, when joined together, can hardly remain unheard. And today all of mankind has a common aim - to prevent a nuclear catastrophe, and ensure a peaceful sky for our own and future generations."

These ideas are implemented in the Austrian government's concrete foreign policy. The first step taken in this direction by the new cabinet formed at the beginning of this year was an expression of its support for a moratorium on all nuclear tests. Chancellor Franz Vranitzky subsequently called repeatedly for a reduction in the potentials of the East and the West.

I had the opportunity to discuss this subject with the Vice-Chancellor, Austria's Foreign Minister Alois Mock.

"I am against any kind of weapon - whether conventional or nuclear," he told me. "A further increase in their arsenals does not make the world a safer place. I cannot but agree with the Soviet leader Mikhail Gorbachev that mankind can survive only through joint political efforts, not by means of arms. Naturally the people of our country, which is right in the centre of Europe and pursues a policy of permanent neutrality, are particularly interested in the abolition of nuclear weapons. Those weapons are deployed in the direct vicinity of our borders."

## Vöst-Alpine

When you drive in the direction of Linz (Upper Austria), about twenty kilometres from the town itself, on the right hand side of the Danube you see the silhouettes of industrial buildings with chimneys rising high into the sky. At first they look like toys. But as you draw closer you become aware of their immensity. At sunset the picture is fantastic: a sea of lights, sheaves of sparks, clouds of smoke and steam - all the colours of the rainbow. The impression is that you are in a gigantic fairy-tale blacksmith's forge.

But it is no fairy-tale. It is a reality created by Austrian engineers, technicians and workers - the Vöst-Alpine concern, the biggest in Austria. Its factories, scattered all over the country, form the basis of the nationalized sector of the economy. They employ almost 70,000 people. Even on a world scale, this is a big figure, but on an Austrian scale it is simply immense.

The company headquarters are in Linz, as are its research centre and design office. Linz is also the site of the main production facilities - the blast and open-hearth furnaces, the power stations, machine tool factories, shipyards, rolling and blooming mills....

Almost 30,000 inhabitants of the town and surrounding villages make their way

each morning to the company factories. A wide highway has been laid, which branches out into smaller roads leading to the individual factories. Their total length exceeds 30 kilometres. Walking to work is impossible, as the distances are too great, so buses are laid on by the company and they keep to a strict schedule. They are absolutely essential, as there is not enough space to provide parking lots for private cars. What parking lots exist are at some distance from the factory buildings. But it is the Danube, of course, that is the main route for freight. The port's wharves come right up to the factory walls. Powerful cranes, a constant stream of tugs and launches, and slowly moving barges form an indispensable part of the Vöst-Alpine concern. The Danube supplies not only the vitally needed water, but it also brings in other essential raw materials - coal, iron ore, etc. - without which continuous production would be inconceivable. And of course the company's produce is shipped to customers chiefly along the Danube.

Vöst-Alpine's history does not go back very far. It was founded shortly after the end of World War II, when, thanks to the efforts of the allied powers, especially the Soviet Union, Austria was liberated from the nazi tyranny. The property of fascist criminals was confiscated. Vöst-Alpine was founded on the basis of the Hermann Göring steel works built during the war.

In postwar years, the concern spread its wings and now incorporates many branches of modern metallurgy, engineering, instrument making, nuclear power, electrical engineering and electronics.

Soviet foreign trade organizations set up contacts with the concern more than 30 years ago. A contract was signed in 1955 for the delivery of sheet steel to the Soviet Union, and Soviet iron ore to Austria. Since then similar contracts have become a permanent feature in the economic ties between our two countries.

In the sixties, experts from Vöst-Alpine helped their Soviet colleagues in the construction of the Novolipetsk steel works. And in 1984, the Austrians completed the construction of the first section of the modern steel works in the Byelorussian town of Zhlobin. Then they built the second one, and talks are now nearing completion on the construction of a third section.

The concern's name is a hallmark of quality. A ride on one of the boats built at the concern's shipyards will bear that out. Many of them ply the Danube under the Soviet flag along the tourist route "From the Alps to the Black Sea." These tours have become so popular that anyone wishing to spend a holiday on one of these excellent boats and visit the Danube countries has to book almost a year in advance, as the number of such holiday-makers is increasing from year to year.

"We regard cooperation with the Soviet Union," I was told by Dr. Herbert Lewinsky, Director-General of Vöst-Alpine, "as a long-term factor in our overall policy. That's only to be expected, as our products account for 20 per cent of the total trade between our countries. But that is not all. Soviet partners are valuable for any enterprise because of their reliability and constancy. This has been confirmed by a whole series of agreements between Vöst-Alpine and Soviet foreign trade organizations. They were signed during the recent visit to Austria of the Soviet Prime Minister Nikolai Ryzhkov. We regard the fact that the distinguished guest from the Soviet Union toured our concern as recognition of our contribution to the advancement of business cooperation between Austria and the Soviet Union.

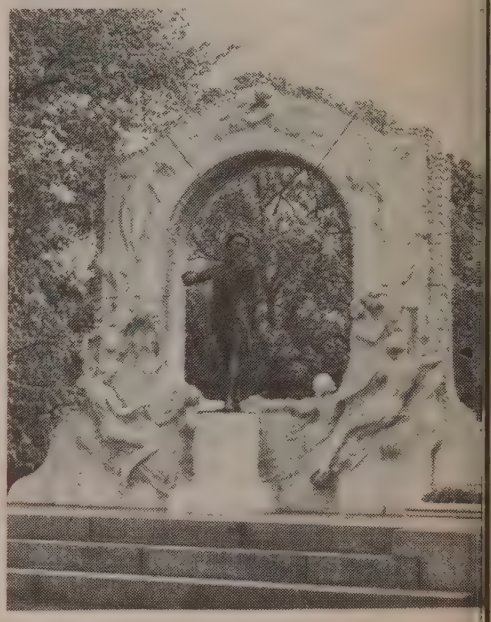
"Like most Austrian businessmen," the Director-General stressed, "I, personally, am following the processes taking place in Soviet society with keen interest. We see your perestroika as a factor advancing the Soviet economy, and that progress, in turn, opens up new opportunities for expanding mutually advantageous cooperation between us."

## The economy and ecology

The generally accepted view is that, compared with many of its European neighbours, Austria is rich in power resources. It has oil and gas, and brown coal deposits. But water remains its main source of energy. The hydropower stations built on the Danube and the Alpine rivers account for two thirds of the country's electricity output. Austria has many power stations, but they are not big ones like our Siberian or Volga stations. The biggest - at Altenwörth on the Danube - built in the first postwar decade, produces 330,000 kilowatt-hours of electricity a year. In the past 15-20 years preference has been given to thermal power stations burning imported coal, oil and gas.

When the price of oil soared at the beginning of the seventies, the Austrians started to build their first nuclear power station. It began to go up among the wheatfields on the right bank of the Danube near the small town of Zwentendorf. That site was chosen because water was available nearby, and there was a highway and a railway line. And it was a mere thirty kilometres from the main consumer of its electricity - Vienna. Most of the equipment was bought in other countries. The station cost the taxpayer a considerable sum - 10,000 million schillings. Everything was ready in Zwentendorf for the commissioning of the plant in 1978. All that remained to be done was to press a button, and the station would begin generating the electricity the country needed so badly. But the button was not pressed.

Why? Because of extensive campaigning by environmental groups against the use of nuclear energy in general and the operation of the Zwentendorf station in particular. The campaign embraced practically all sections of the population, political parties and public organizations,



**Monument to the waltz king Johann Strauss in the Austrian capital.**

Photos by author

even bringing some of them to the brink of a split. The dispute became so heated that it almost led to the resignation of the Socialist government led by Bruno Kreisky.

A referendum on the issue was arranged. A little more than half of those who voted said No. And that determined the fate of the nuclear power station. The giant installation built in keeping with the strictest international requirements of those days and capable of producing more electricity than any other station in the country was locked up. Its nuclear heart never began to beat. The government acknowledged its defeat and respected the wishes of the people. Parliament passed a law prohibiting the construction of nuclear power stations in Austria.

Almost ten years have passed since then. The Zwentendorf nuclear power station remains closed. For how long? Austrians believe forever. The latest accidents at nuclear installations have strengthened their conviction that they made the right decision, especially after what happened in Chernobyl....

I had the opportunity to visit Zwentendorf. Looking at the mighty station and its high chimney, I found myself involuntarily recalling the newsreel pictures of the tragedy on the Pripyat. And I thought, maybe the Austrians had been wise in making such a decision; after all they live in the very heart of densely populated Europe....I realize that there is no force that can stop technical progress. But at the same time I am conscious that it should not be followed blindly, that it is important to recognize and carry out the wishes of the people expressed in a democratic fashion.

The Austrians provided another example quite recently of how ecological views gained the upper hand over economic interests. In June all the papers reported that the government had decided against building a hydropower station in the Hainburg district near the border with Czechoslovakia. It's true that in that case work on the project had not gone as far as in Zwentendorf. Nevertheless millions of schillings had been spent. In 1984 powerful machines were already being sent to the proposed construction area. But their way was barred by environmentalists' pickets. They argued, and their arguments were backed up by surveys by prominent scientists, that a hydropower station in Hainburg would inflict irreparable damage on the fauna and flora of a unique corner of Danube flood-lands that had remained practically untouched into our days.

Hundreds of people, especially young people, gathered in the vicinity of the site. Big police forces were also stationed there. The tense confrontation continued for several days. Matters even went as far as hand-to-hand fighting and arrests. But in the final count the government backed down and stopped all construction work, sending the project to be revised. Behind the scenes the struggle continued for three years. And now the final decision has been taken: no station will be built there.

Not for nothing have Zwentendorf and Hainburg become important landmarks in the history of the Greens in Austria. Initially the representatives of the ecology movement made themselves felt at regional levels, and then at the national level. This affected the results of the parliamentary elections at the end of last year. For the first time the Greens won 7 seats. Their leader Freda Meisner-Blau said frankly that without Zwentendorf and Hainburg the Greens would hardly have been able to count on such a success.

But what about electricity supplies? Its annual consumption is increasing at a rate of 140 kilowatt-hours per capita. So far the government is considering two other possibilities. First, the construction of a hydropower station on the Danube in the Vienna area. It will take longer and will cost substantially more than the Hainburg station. Secondly, increased import of energy. To this end the Austrians are participating in financing the construction of a chain of stations at Gabcikovo-Nagymaros in the border regions of Czechoslovakia and Hungary. Its construction is planned to be completed by 1995. And in the following year, Austria will receive 1.2 million kilowatt-hours of electricity in compensation for its subsidies. She will continue to receive a similar amount for 20 years. A striking example of long-term mutually advantageous business cooperation. And also a substantial contribution to general European economic ties.

## The tourist industry

Austria is a land of tourism. With a total population of 7.5 million, it can offer tourists 1.3 million places in hotels, boarding houses and camping sites. They offer about 120 million overnight accommodations a year. And more than 75 per cent of these are foreign tourists.

It would be no exaggeration to say that the country's finances depend very largely on the tourist industry. Any reduction is felt sharply by the economic mechanism. After all, the tourist industry is both the greatest provider of jobs and the highest earner. It contributes more than 10 per cent of all foreign currency income each year.

Such mountain skiing centres in the Alps as the Tyrol and Vorarlberg are world famous. Immensely popular, too, are the warm lakes in Carinthia and Styria. Nor do international tourist routes bypass the beauties of ancient Salzburg or the eternally young Vienna.

As for the Danube, few peole would choose its banks for a holiday. The river waters today are far from being the clear blue Strauss made famous in his waltz. At any rate, in all the years I have spent in Vienna, not once have I seen anyone swimming in its waters within the city limits, nor have I seen any successful anglers. What I have seen, however, on many occasions are spills of oil or residual oil. The last time was in July when all the local papers reported a leak of heating oil.

So that being the situation, what can the million and a half inhabitants of the capital do? Especially in the summer months, when the temperature is often higher than 30 degrees Centigrade?

The existing swimming pools - about two dozen of them - and man-made reservoirs cannot solve the problem. But those who yearn for a dip are saved by...the Danube, or to be more precise, by the old river bed, which has been preserved within the city limits.

The water is excellent - clear and clean, unlike the new Danube channel. That is thanks to implicit observance of the ban on releasing any waste into this section. Apparently it was realized how important it is to retain part of the natural environment within the limits of a big city. This part gives great pleasure both to adults and children, young and old, rich and poor, and the flock of wild swans, which do not desert their favourite haunt even in the winter months....

Vienna - Linz - Zwentendorf - Moscow


# New Times–1988

People in 109 countries read New Times, a magazine founded in 1943 and today published in Russian, English, French, German, Spanish, Portuguese, Italian, Polish and Czech languages.

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# We must work together!

## Robert Gale on Chernobyl, "Sacrophagus" and nuclear energy

**"Perhaps Gubarev will one day get credit for having helped make a big war less likely," said Dan Sullivan, Los Angeles Times observer after the first performance of "Sarcophagus" at the Los Angeles Theatre Centre.**

**The play was directed by Bill Bushnell, with Diane White as producer and Professor Robert Gale as consultant. Below we publish the Preface he wrote to Gubarev's play put out by First Vintage Books to coincide with the production.**

On April 26, 1986, Chernobyl exploded onto the world scene. Chernobyl was the site of the world's most serious nuclear accident, for in a few hours its reactor had released a cloud of radioactivity that encircled the globe and affected the lives of millions of people.

It is now a little more than one year later, yet Chernobyl continues to attract worldwide attention. Why? The answer is complex, but important factors include increased interest in and debate about the effects of nuclear energy, its health implications, the future of nuclear power, and increasing concern over nuclear weapons and the prospect of nuclear war.

But there is something more profound about Chernobyl, because what it really represents is civilization's first encounter with the mystery and power of the atom. True, the nuclear age had other beginnings - Enrico Fermi's work in his laboratory under a football field at the University of Chicago and, of course, the atomic bomb explosions over Hiroshima and Nagasaki were historic events that left an indelible mark. But for most people, they were abstract - removed from daily life, from common concerns.

Chernobyl changed these perceptions. Suddenly mothers in the the United States - 10,000 miles from the Soviet Union - wondered if it was safe to give fresh vegetables to their children. People were afraid to travel to Europe after the Chernobyl accident, some remain so. In Europe, the impact of Chernobyl was even more dramatic, and it continues to be a frequent topic of concern and conversation. In the Soviet Union, more than 100,000 people were evacuated from their homes, and most will never return. Polish parents gave their children iodine tablets; Italians could not eat fresh fruit for several months; Laplanders destroyed their contaminated reindeer. All this occurred while a radioactive cloud encircled the planet. Simply put, this is because a nuclear accident anywhere is a nuclear, accident everywhere. For example, increased incidences of cancer and birth and genetic defects have been predicted for the future - and over one half of these cases will occur outside of the Soviet Union.

So now we begin to understand the nuclear age - an age we have in for more than forty years - on a personal basis. We also begin to understand the potential consequences of nuclear war. A Welsh farmer whose land is now contaminated recently told me that when he was in the Pacific as a soldier in World War II, he was glad the United States had used the atomic bomb to end the war. Now he's not so sure.

In my opinion, most people - including many scientists, politicians, and military strategists - have little real understanding of the potential consequences of even a limited nuclear exchange. First, the immediate loss of life. Next, contamination of large areas of the planet for hundreds of years and the disruption of the world economy and societal structure as we now know them. Other long-term consequences more difficult to predict accurately include destruction of the earth's protective ozone layer and nuclear winter. One U.S. military strategist not long ago stated that we could survive a nuclear war if we had enough shovels to dig shelters. After Chernobyl, can anyone believe him?

**Soviet and British colleagues discuss the "Sarcophagus" production at the Tambov Drama Theatre.**

TASS photo

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Vladimir Gubarev has written an interesting play about the Chernobyl accident. It is titled "Sarcophagus," named for the 300,000-ton concrete-and-steel structure that entombs the reactor core. The word "sarcophagus" recalls ancient mummified Egyptian monarchs - silent, still, nonbreathing. But what of the modern sarcophagus? It entombs a modern-day pharaoh, a pharaoh still alive, and one that will remain so beyond the lifetimes of all those who read these lines.

In some ways, the implications of Chernobyl are too great, too disturbing, to be contemplated voluntarily. Gubarev humanizes them. He dramatizes the medical activities that immediately followed the accident, events in which my Soviet colleagues and I played active roles.

After reading or viewing this play, many people will find themselves thinking about the dangers of nuclear energy. But what conclusions should be drawn? Clearly, technologies are not inherently good or evil; society determines their role. And so it is with nuclear energy. Radiation is used successfully to cure children suffering from cancer, but it is also used to make nuclear weapons that can end life. We, not nuclear energy, will determine whether that energy will be used for good or for evil. In an earlier time, I could have added, "and history will record the decision." But we have moved to a new era: if we misuse nuclear energy, there will be no history.

I am an optimist, I have faith in people, in our society. I believe we will find a way out of the dilemmas posed by nuclear energy. Paradoxically, this process may even have been helped by what happened at Chernobyl. How? By heightening public awareness; by emphasizing the interdependence of all of us who inhabit this small planet, by showing the Soviets that Americans, in giving aid, hold the value of life above political differences; and by showing that science and medicine know no boundaries. "Sarcophagus" is one small but important step in this process.

**Prepared for press by GRIGORY NERSESYAN**

# Treasures from an ancient pagoda

**Hundreds of unique artefacts of great historical value, in gold, silver, precious stones and other materials, along with what are believed to be relics of the Founder of the Buddhist faith have been discovered in the underground shelter beneath the Temple of Famen in Shaanxi Province.**

WANG ZHAOLIN and XIONG LEI, Chinese journalists

Before describing the sensational find that thrilled Chinese archeologists and laymen alike, I shall make a short excursus into the past.

In 871 A.D., Yi Zong, the 18th emperor of the Tang Dynasty, sent special envoys to Famen Temple to remove the sacred bones of Sakyamuni*, which were enshrined there, to Changan, then the capital of the country, 100 kilometers away.

Yi Zong was following the practice of all previous Tang rulers, who had the bones moved from the royal temple in today's Fufeng county, Shaanxi Province, in Northwest China, to the imperial residence to worship at intervals of roughly 30 years. If they did so, they believed, the Buddha would bless them with excellent crops, social stability and long life.

Preparation for it had been under way for two years. Numerous draperies, curtains, streamers and state carriages, decorated with gold, jade, pearls, jewelry and embroidery, were made to accompany or carry the Buddhist relics.

An endless stream of horses and carriages drove from the temple to Changan day and night, as many wished to greet the procession carrying the incarnation of the Buddha. Believers kowtowed all the way from home. Some even cut off their own limbs or burned their hair when the procession passed, to show their faithfulness.

The bones remained in the palace for three days, and were then enshrined in the royal temple in Changan. Ministers and other high-ranking officials vied with each other to dedicate to the Buddha exquisite gold, silver, jade and pottery artefacts, and finely embroidered silk garments, cushions and other objects.

Despite the solemn ceremony and sumptuous offerings, the Buddha did not seem to give the anxious emperor his blessing. Yi Zong died in July of that same year, 873, without being able to return the relics. It was his fifth son, Xi Zong, who sent them back to Famen Temple in January 874, after he had ascended the throne.

The new emperor had the underground shelter beneath the pagoda in the temple sealed after the sacred bones had been returned to it. Since then, the whereabouts of the Buddhist relics have been a mystery.

## Secrecy exposed

On the morning of April 2, 1987, a group of archeological workers found some stone flags while clearing up the base of the demolished pagoda in Famen Temple. Through a seam between two of the flags, they saw something sparkling brilliantly underneath. A closer look with the help of flashlights indicated that some of the objects were gold and silver.

Han Wei, an archeologist from the Shaanxi Archeology Institute, hurried to the spot the following day. He located the entrance to the underground shelter at the south of the base, 20 metres away from the stone flags. Subsequent digging revealed a genuine and rare treasure house.

The stone flags were only the cover of the sunken panel of the pagoda's 31.48 sq. m underground shelter, which turned out to be the largest of its kind ever discovered in China.

Descending a stone stairway, and passing through a trapdoor, Han Wei and his fellow workers saw two stone tablets, each about 120 cm high making a tunnel inside the entrance. On one of the tablets is engraved the spectacular event in 873 and its tragic end, as well as the temple's history. The other records the list of artefacts presented to the temple by the Tang emperors and their ministers.

On April 9, the workers opened the first stone gate leading to the three chambers of the shelter, on which hung a stone lock. In the three chambers arranged from south to north, Han and his colleagues found 12 fragments of stone artefacts, 16 porcelain artefacts, 16 iron artefacts, 17 pieces of glazed pottery and glassware, 19 painted wooden artefacts, 121 gold and silver artefacts, about 400 pieces of jade and jewellery, and a large quantity of silk fabrics.

Except for the silk fabrics, which had stuck together and defied counting, the other objects agreed exactly in number with the account on the stone tablet, according to Han Wei. Prof. Shi Shuqing, vice-chairman of the National Cultural Relics Appraisal Committee, claimed after seeing the objects that most of them belong to "the treasury of the most precious national treasures."

However, the tablet also indicated that the sacred bones of Sakyamuni were enshrined there. Where were they?

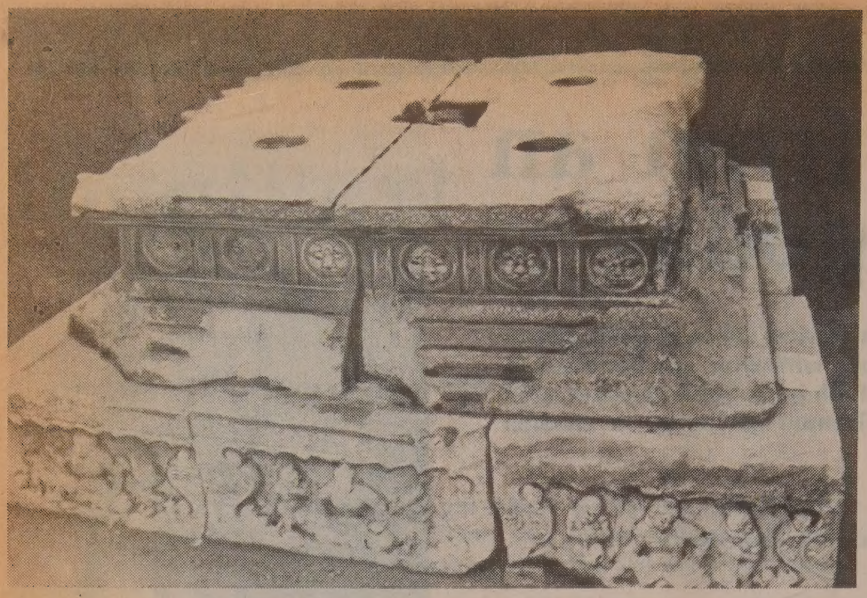
A careful search led the archeologists to a silver-edged sandalwood case guarded by two stone statues of deities in the rear chamber. Han Wei opened it, and found a smaller gold gilded case.

"Altogether I opened seven cases, one inside the other," he recalled, "and finally got to a gold pagoda with a single tier of eaves, a pearl on top and four entrances. A silver pillar stands on the base, covered by a piece of ivory-white bone."

The piece, 40.3 mm in length and 46.2 gr in weight, was believed to be part of the Buddha's finger, as the tablets' inscriptions record.

Later, the second piece of the Buddha's finger bone was found in a small marble bier in the middle chamber.

*Sakyamuni - one of the names of Gautama Buddha (the enlightened one) Siddhartha (623-544 B.C.) considered the founder of Buddhism.



**Marble reliquary in which a fragment of bone from the finger of Sakyamuni Buddha is preserved.**

By courtesy of Hsinhua Agency

An iron coffer covered with textures woven with gold threads was found in a hidden niche in the rear chamber. Inside it is a silver case, with forty-five gilded statues of Buddhist disciples featured on its exterior, while on the cover are inscriptions reading "treasure case, made with veneration by order of the Emperor, for Sakyamuni Buddha's genuine holy relics." Inside the silver case is a sandalwood case, which in turn covers a crystal outer coffin, each end of its lid inlaid with a yellow and a blue gem, set off by pearls. A jade inner coffin contains the third piece of the sacred relics. The fourth and last piece was found in a miniature four-tier pagoda decorated with coloured drawings in the front chamber.

As yet, neither Buddhist scholars nor archeologists can say for sure how these holy relics, the only known relics of the cremation of Sakyamuni in the world, came to China to rest in Famen Temple. But a legend traces the bones back to Asoka (268-232 B.C.), the last major emperor in the Mauryan dynasty of India.

Asoka, a vigorous patron of Buddhism, divided the Buddha's cremated bones into 84,000 shares. To expand the religion throughout the world, he had 84,000 dagobas, each containing a share of the ashes, built in various parts of the world overnight, with the help of the immortals. Nineteen of the dagobas rose in China, and the pagoda in Famen Temple ranked in the 5th of them.

The origin of the pagoda remains a puzzle, but historical records do indicate that it was already in existence before the temple was built in the reign of Emperor Huandi (147-167 A.D.) of the Eastern Han Dynasty, and it had always been known, that the ashes of Sakyamuni's finger bones were buried beneath the pagoda.

Interestingly, the temple bore the name of Asoka's Temple until the Northern Wei Dynasty (386-535), when Buddhism spread throughout China. It got its present name, Famen, which means "gate to Buddhist dharma,"* in the year 625 under the Tang Dynasty.

## Priceless

According to Master Chengguan, there was one attempt on the treasures beneath the pagoda, on a September day in 1966, during the frenzied days of the "cultural revolution." A mob of rioters broke in and coerced Master Liangqing, then the abbot of Famen Temple, for information about the shelter.

To protest against the insults and violence, the Master poured petrol over his body and burned himself alive that evening. The marauders, however, were not appeased. They took up picks and dug at the base of the pagoda. But they found nothing and the exhausted mob eventually gave up.

*The word "dharma" (Sanskrit) in ancient India had a very wide range of meaning. Law, religion, duty, justice, soul, custom. In Buddhist literature the word applied primarily to the teachings of Sakyamuni Buddha.

When archeologists cleared the base of the pagoda last April, they found some peanut and sunflower seed shells in the layer of rammed clay, which proved to be the rioters' leftovers. The spot was only 60 cm above the cover of the shelter. With that margin of 60 cm, the priceless treasures underground had survived.

Among the gold and silver artefacts was a 1.96-m-long staff with twin wheels and 12 metal rings on the head. Made out of 58 ounces of silver and two ounces of gold, the staff was engraved with the figures of 12 noted Buddhist disciples. Records say that it took nine months to make on orders of Yi Zong, for the grand removal in 873.

Also noted is a double-eared silver basin, with a diameter of 54 cm. Weighing 6.2 kg, it features a golden flower and mandarin duck pattern as well as exquisite workmanship, which Shi Shuqing describes as "incomparably outstanding for its time." The basin is believed to be a tub presented for the Buddha to bathe in.

The largest of the gold and silver artefacts in size is a five-foot silver incense burner, weighing 19 kg. On the upper part of the burner are five gilded turtles, each sleeping on a lotus flower. This pattern, symbolizing auspiciousness and longevity, has never been seen before.

Unique to the silk fabrics are the gold twist threads woven with them. The finest threads measure 0.1 mm in diameter, which, with the silk thread as the wick, are made of twists of gold thread finer than a single strand of hair. In a section one metre long, there are 3,000 twists of gold thread.

Han Wei considered the findings both "expected and unexpected." Expected, he explained, because there are historical records of the relics of the Buddha. Unexpected, because the quantity and quality of the artefacts presented to the Buddha are unique in the archeological findings of the Tang Dynasty. He therefore compared the discovery to that of the terra-cotta army of warriors and horses at the mausoleum of the First Emperor of the Qin Dynasty in the same province, known as a wonder of the world.

Will the temple regain its glory from the recent discovery? This seems very likely. The Chinese Buddhist Association will donate 100,000 yuan (approximately 28,000 U.S. dollars) to the rebuilding of the temple. The provincial government of Shaanxi has also decided to allocate a special fund for the project. The temple is expected to be another holy place of Buddhism and a tourist attraction.

Peking

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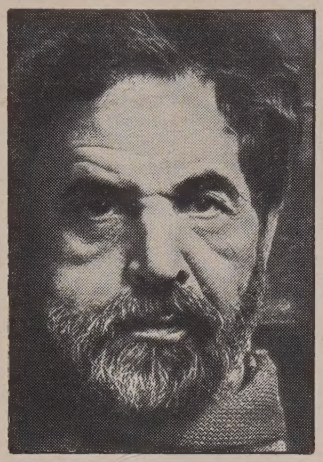
# "Violence is the greatest evil"

Until quite recently, this man was with us. Little known in his lifetime, the sculptor Vadim Sidur died in 1986. He never lived to see the first exhibition of his works in this country. A versatile personality, Vadim Sidur excelled in many art forms besides sculpture: he painted brilliant watercolours in a style all his own, and also produced fine engravings, and unusual and extremely expressive portraits.

It is hard to describe Sidur's sculptures: they must be seen and felt. They can be compared with poetry, and this is no fortuity: Vadim Sidur was also a talented and original poet, and poetry breathed life into his sculptures which are distinguished by their delicate plasticity, precision and force of expression, and economy of form.

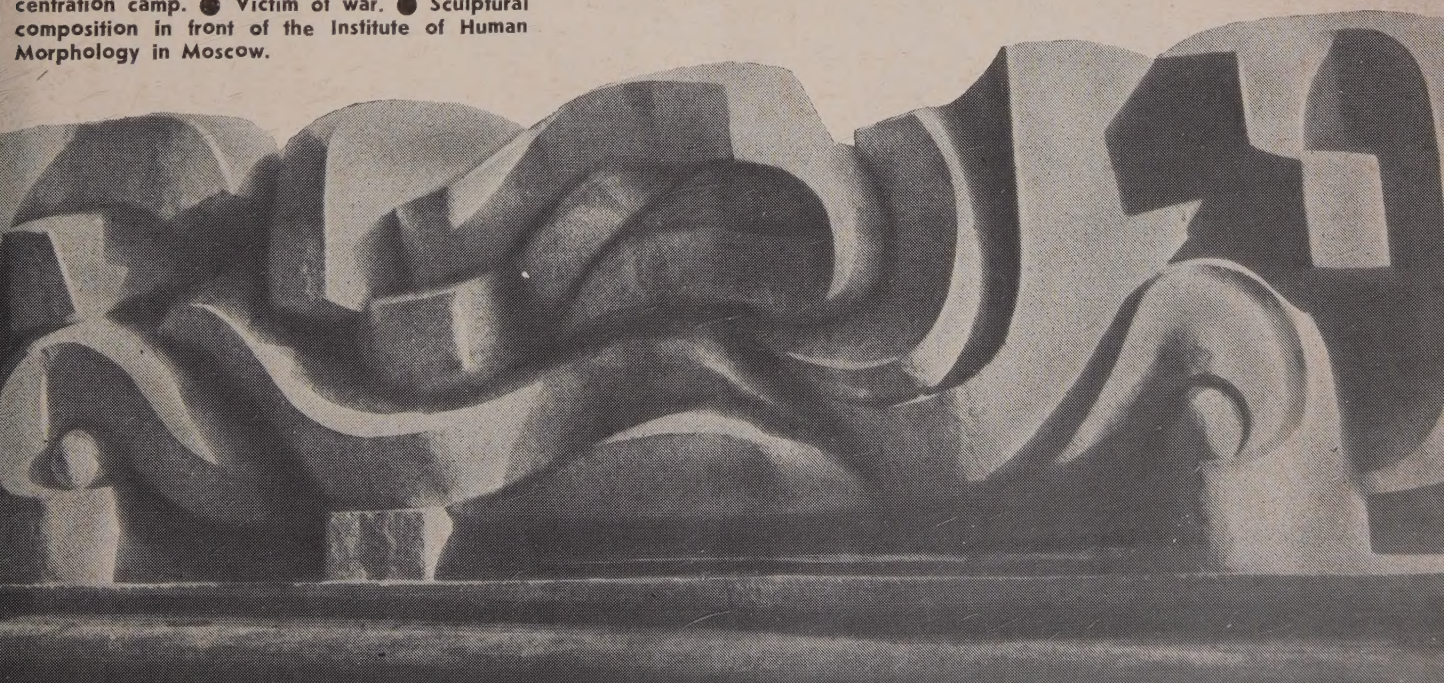


The tragic motive of war is very much in evidence in Sidur's life-asserting work. He did not know war from hearsay: as a Junior Lieutenant of the Guards he commanded a machine-gun platoon, won many distinguished service awards and was wounded in action.

"Having lived through war and peace I gradually arrived at the idea, far from new, that violence is the greatest evil on earth," Sidur said. These words became the epigraph of his work, as it were. The sculptures "Invalid," "Machine Gunner" and "Formula of Sorrow" won wide renown. Varied as this prominent artist's work may be in intellectual appeal and emotional impact, all of it was intended to bring out the best human qualities in the viewer.

**A. SMIRNOVA**

**A monument to those who died in Treblinka concentration camp. ● Victim of war. ● Sculptural composition in front of the Institute of Human Morphology in Moscow.**



Actress.

Mountain climber Iosif Kakhiani — "the tiger of the cliffs."

A veteran.

Sergei Panin (U.S.S.R.)

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# MAN AND MANKIND

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